

**PAKISTAN'S ECONOMY; PAST EVENTS, PRESENT
SITUATION AND FUTURE
PROSPECTS/RECOMMENDATIONS.**



By

Asad Sardar

(Registration No: 00000363144)

Department of Finance & Investment

NUST Business School

National University of Sciences and Technology (NUST)

Islamabad, Pakistan.

(2024)

**PAKISTAN’S ECONOMY; PAST EVENTS, PRESENT
SITUATION AND FUTURE
PROSPECTS/RECOMMENDATIONS.**



By

Asad Sardar

(Registration No: 00000363144)

A thesis submitted to the National University of Sciences and Technology, Islamabad,

in partial fulfillment of the requirements for the degree of

Executive Masters in

Business Administration

Supervisor: Dr. Ajid ur Rehman

Department of Finance & Investment

NUST Business School

National University of Sciences and Technology (NUST)

Islamabad, Pakistan

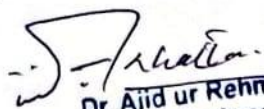
(2024)

BUSINESS PROJECT ACCEPTANCE CERTIFICATE

It is Certified that final copy of EMBA Business Project written by Asad Sardar Registration No. 363144 of EMBA 2K21 has been vetted by undersigned, found complete in all aspects as per NUST Statutes/Regulations/MS Policy, is free of errors, and mistakes and is accepted as fulfillment for award of EMBA degree. It is further certified that necessary amendments as pointed out by GEC members of the scholar have also been incorporated in the said business project.

Signature of Supervisor with stamp: Dr. Ajid-ur-Rehman

Date: _____


Dr. Ajid ur Rehman
Associate Professor
NUST Business School (NBS)
NUST, H-12, Islamabad


Programme Head Signature with stamp: Dr. Muhammad Fawad Khan

Date: _____

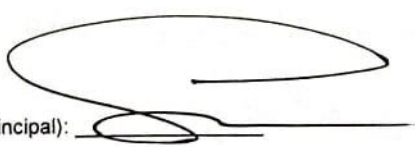

DR. MUHAMMAD FAWAD KHAN
Associate Professor
Program Name (EMBA)
NUST Business School, H-12, Islamabad

Signature of HoD with stamp: Mr. Saad Azam Khan Marwat

Date: _____


SAAD KHAN AT MARWAT
HoD, Finance & investments
NUST Business School (NBS)
Sector H-12, Islamabad
Tel: 051-90853150

Countersign by

Signature (Dean/Principal): 

Date: _____

AUTHOR'S DECLARATION

I Asad Sardar hereby state that my MS thesis titled “Pakistan’s Economy; Past Events, Present Situation and Future Prospects/Recommendations” is my own work and has not been submitted previously by me for taking any degree from National University of Sciences and Technology, Islamabad or anywhere else in the country/ world.

At any time if my statement is found to be incorrect even after I graduate, the university has the right to withdraw my MS degree.

Name: Asad Sardar.

Date: August, 2024.

PLAGIARISM UNDERTAKING

I solemnly declare that research work presented in the thesis titled “Pakistan’s Economy; Past Events, Present Situation and Future Prospects/Recommendations” is solely my research work with no significant contribution from any other person. Small contribution/help wherever taken has been duly acknowledged and that complete thesis has been written by me.

I understand the zero-tolerance policy of the HEC and National University of Sciences and Technology (NUST), Islamabad towards plagiarism. Therefore, I as an author of the above titled thesis declare that no portion of my thesis has been plagiarized and any material used as reference is properly referred/cited.

I undertake that if I am found guilty of any formal plagiarism in the above titled thesis even after award of MS degree, the University reserves the rights to withdraw/revoke my MS degree and that HEC and NUST, Islamabad has the right to publish my name on the HEC/ University website on which names of students are placed who submitted plagiarized thesis.

Name:- Asad Sardar.

Date:- August,2024.

This thesis is dedicated to my parents, my wife, my country and my teachers for always believing in me, inspiring me, and encouraging me to reach higher in order to achieve my goals.

ACKNOWLEDGEMENTS

Most importantly I thank Almighty Allah who gave me the courage and ability to complete my work in the best possible manner. I want to thank and show my appreciation to my Supervisor Dr. Ajid ur Rehman for his invaluable guidance and support in completing this work. Finally, I must give my heartiest thanks to my family, colleagues and everyone who has helped me in my endeavors, encouraged me by acknowledging my efforts and extended support for the outcome of this work.

Asad Sardar.

August, 2024.

ABSTRACT

Pakistan is a country with many bestowed blessings from nature and Almighty Allah. This country has many natural resources along with an intelligent and strong human resource. Pakistan also possesses a very important geographic position in the world being at the hub/ junction of countries rich in natural resources and enjoying strong positions on the global arena. The world and the Islamic nations view Pakistan as a fortress of Islam and a country of great importance. However, this country has faced many ups and downs in terms of its sociopolitical and socioeconomic sectors which are still prevalent now. The economy which is of primary discussion in this project has remained unstable for a considerable amount of time after the 1980's when Pakistan fell into the whirlpool of political turmoil and lost its consistency of GDP growth of above 5 percent since independence. The project makes an effort to understand the historical events and their effects/ repercussions on the economy, takes a qualitative as well as a quantitative approach to the problem and eventually attempts to give some recommendations in light of these analyses.

TABLE OF CONTENTS

ACKNOWLEDGEMENTS.....	VII
ABSTRACT.....	VIII
CHAPTER 1	1
INTRODUCTION	1
1.1 Significance: -	1
1.1.1 Theoretical Significance: -	1
1.1.2 Practical Significance (Addition to Policy): -.....	1
1.2 Background of Study: -.....	2
1.3 Problem statement and Research Gap: -	3
1.4 Research Objectives: -	5
1.5 Research Main Questions: -	5
1.6 Arrangement of the project report: -	5
Chapter 1: -	5
Chapter 2: -	5
Chapter 3: -	6
Chapter 4: -	6
Chapter 5: -	6
CHAPTER 2	7
LITERATURE REVIEW	7
2.1 Present condition of Pakistan’s economy: -.....	7
2.2 Past Achievements: -.....	9
2.2.1 Exports of Pakistan: -	9
2.2.2 GDP of Pakistan: -.....	9
2.2.3 Scientific and technical journal articles: -	9
2.2.4 Electricity production: -.....	9
2.2.5 Agriculture, forestry, and fishing, value added (annual % growth): -.....	10
2.2.6 Road, Railways and Air Transport Network: -	10
2.2.7 Technological Prowess of Pakistan: -	10
2.2.8 Natural Resources in Pakistan: -	10
2.2.9 Private technology usage eg. Telecommunication: -	10
2.3 Failures: -	11

2.3.1	Inflation: -.....	11
2.3.2	Low literacy rate: -	11
2.3.3	Current health expenditure (% of GDP): -	12
2.3.4	Technical Knowledge/skills: -	12
2.3.5	Gross domestic savings (% of GDP): -.....	12
2.3.6	International Rankings of Pakistan: -	12
2.3.7	Population: -.....	13
2.3.8	Medium and high-tech exports (% of manufactured exports): -	13
2.3.9	Failure of Governments in meeting their commitments with the International Agencies: - .	13
2.4	Exports of Pakistan: -.....	15
2.5	Imports of Pakistan: -	16
2.6	Nuclear tests: -	17
2.6.1	Military regime’s efforts and Standby arrangement: -	17
2.7	China’s position in the world and the region: -.....	17
2.7.1.	Belt and Road Initiative (BRI): -	17
2.7.2	Shanghai Cooperation Organization: -.....	18
2.7.2.1	Significance of SCO: -	18
2.8	Related Work: -.....	18
CHAPTER 3		24
RESEARCH METHDOLOGY		24
3.1	Development of Hypothesis: -	24
3.1.1	Further Elaboration: -.....	24
3.2.	Sample of Study: -	24
3.3	Research Model: -	26
3.4.	Description of Variables: -	26
a)	Dependent Variable: -.....	26
b)	Independent Variable: -.....	27
3.5.	Estimation Technique: -	27
CHAPTER 4		28
RESULTS AND DISCUSSIONS.....		28
4.1	Qualitative analysis: -	28
Proposed Strategy/ Future Direction/ Recommendations for Pakistan: -		28
4.1.1	Exports, FDI and Remittances: -.....	29

4.1.1.1	Exports and Imports Imbalance: -	29
4.1.1.2	A peculiar feature of the global economy: -	29
4.1.2	Reaping the benefits of the Islamic System: -	30
4.1.2.1	Islamic System: -	30
4.1.2.2	Islamic Banking Industry in Pakistan: -	30
4.1.2.3	Capitalism, Socialism and Islamic Model including Zakat: -	31
4.1.3	Tax reforms: -	31
	Creating Tax free Zones in Pakistan to attract investments and support for strategic purposes: - ...	31
4.1.4.	Following Chinese Economic Model and Growth: -	32
4.1.4.1	China and BRICS: -	33
4.1.4.2	Similarities and differences between reforms adopted by China and Taiwan:-	33
4.1.4.3	China and Shanghai Cooperation Organization: -	34
4.1.4.4	Belt and Road Initiative (BRI): -	34
4.1.5.	Centralization, P3A, No Government’s role in Exchange rate of Currency and Tax Net: -	34
4.1.6	Role of specialized bodies like SIFC i.e Special Investment Facilitation Council: -	34
4.1.7.	Youth and IT exports: -	34
4.1.8	Pakistan and the IMF: -	35
4.1.8.1	Public Investment Management Assessment–PIMA and Climate PIMA: -	35
4.2	Quantitative analysis: -	35
4.2.1	Multiple Regression results of 25 variables Sample (One country Time Series): -	35
4.2.2	Profitability Index (Assumed Name)/ Ratio of Gross National Expenditure and Gross National Income: -	38
4.2.3	Economic Value Added (Assumed Name) (EVA): -	39
CHAPTER 5		40
CONCLUSION		40
5.1	Recommendations: -	40
5.1.1	Harnessing Diversity in Pakistan: -	40
5.1.2	Maintaining the Status Co of Closed Economy: -	40
5.1.3	Exports: -	40
5.1.4	Exploiting the Peculiar Feature of exports growth due to devaluation: -	40
5.1.5	Reaping the Benefits of the Islamic System and Close Proximity with the Islamic World: - ..	40
5.1.6	Tax reforms and Creating Tax free Zones in Pakistan: -	40
5.1.7	Following Chinese Economic Model and Growth: -	41

5.1.8	Exchange rate of Currency and Tax Net: -.....	41
5.1.9	Specialized bodies like Special Investment Facilitation Council (SIFC): -	41
5.1.10	Information Technology and the Youth of Pakistan: -	41
5.1.11	Pakistan and the International Monetary Fund (IMF): -	41
5.1.12	Recommendations in light of the Quantitative results: -.....	42
5.2	Limitations of the research: -	42
5.3	Conclusion: -	42
	References.....	43

ABBREVIATIONS

CPEC = China Pakistan Economic Corridor.
NCOC = National Command and Operation Center.
COVID-19 = Corona Virus Disease which started in end 2019.
FY = Fiscal Year.
USD = United States Dollars.
SBP= State Bank of Pakistan.
FATF = Financial Action Task Force.
FOREX = Foreign Exchange.
GDP = Gross Domestic Production.
PSX = Pakistan Stock Exchange.
IMF = International Monetary Fund.
SDG = Sustainable Development Goals.
PTA = Pakistan Telecommunication Authority.
PMCL = Pakistan Mobile Communication Limited.
GSM = Global System for Mobile Communication.
LTE = Long Term Evolution.
WIMAX = Worldwide Interoperability for Microwave Access.
WCDMA = Wideband Code Division Multiple Access.
CPIA = Country Policy and Institutional Assessment.
UNDP = United Nations Development Program.
PPP = Purchasing Power Parity.
ADB = Asian Development Bank.
WB = World Bank.
NDU = National Defense University.
SBA = Standby Arrangement.
BRICS = Brazil, Russia, India, China and South Africa.
BRI = Belt and Road Initiative.
UN = United Nations.

SCO = Special Communication Organization.
PFM = Public Financial Management Act-2019.
PSDP = Public Sector Development Program.
SOE = State Owned Enterprise.
EDC = Emerging and Developing Countries.
SIFC = Special Investment Facilitation Council.
P3A = Public Private Partnership Authority.
IV = Independent Variable.
DV = Dependent Variable.
EVA = Economic Value Added.
LCU = Local Currency Unit.
GNI = Gross National Income.
FTA = Free Trade Agreement.
FDI = Foreign Direct Investment.
UAE = United Arab Emirates.
NDB = New Development Bank.
OECD = Organization for Economic Co-operation and Development.
PRC = Peoples Republic of China.
PIMA = Public Investment Management Assessment.
GDPPC= GDP Per Capita.
GNE=Gross National Expenditure.
TLS=Taxes less subsidies.
MVA= Manufacturing value added.
ROL= Rule of law.
TGDP=Trade percent of GDP.
MCS=Mobile Cellular Subscriptions.

CHAPTER 1

INTRODUCTION

Pakistan is a developing country in South Asia with a fertile land, diverse climates, different cultures and traditions, important geographic location in the world, natural resources, strong military, good capacity to produce food and close proximity with the Islamic countries of the world. All these factors suggest a strong economy for a country having a population of nearly 250 million. However, the economy of this South Asian nation has seen many ups and downs due to many factors with the latest being the war against terrorism and political instability in the country which is still very much prevalent.

1.1 Significance: -

The research project makes an excellent gel of the domestic as well as the international factors that come into play and bring about changes that are both short term as well as long term for the economy of Pakistan. Statistical analysis for the project is conducted on the World Bank's data after 28th May, 1999 Youm-e-Takbeer being a turning point as the continuity of events is evident from that point in time in Pakistan in the form of either crisis, political instability, economic conditions and other changes with which we will might have to live with the way they are for at least a considerable amount of time.

1.1.1 Theoretical Significance: -

The research significance is that it focusses on role of diversity on the economy which has not been addressed in detail by similar articles on the subject matter alongside a holistic approach adopted to address the other above-mentioned objectives. It also conducts critique and critical analysis of the past research work done on the subject including articles by well-known authors like Dr. Ishrat Hussain and Dr. Hafeez A. Pasha.

1.1.2 Practical Significance (Addition to Policy): -

As described and proved below the impact of diverse cultures in a country like Pakistan is an important factor for determining the stability of the country which indirectly effects the economy, society and international image of the nation. Thus, the findings may be considered in terms of addition to the state's policy to better understand the underlying need for cohesion between the different federating units to both exploit and counter the scenarios that pop up as a result of this diversity. It emphasizes further on the importance of relations with China, whose successful role on global forum is critically analyzed with opportunities available to Pakistan. As it is primarily meant for suggesting a way forward, further opportunities available for the economy are also evaluated which need to be incorporated in the state's economic policies.

Nearly every Pakistani remains concerned about these issues which effect/affect the common man and solutions to such problems are suggested since a long time back. However, holistic view

on the topic including the research and methodology mentioned is unique and very much realistic in its approach and addresses the problem in a semi structured way. i.e both qualitative and quantitative approaches have been used for getting insight of the situation and finally suggesting way forward and solutions to the problem.

1.2 Background of Study: -

There have been many articles written on the economy of Pakistan with analyses that encompass the history as well as the present situation and recent years. Notable articles include those written by Dr. Ishrat Hussain, Dr. Hafeez A. Pasha and others. The World Bank also issues its analyses of the economic situation of countries around the globe with facts and figures that speak primarily of the present situation. In this project a detailed analysis of these sources has been conducted with the aim to document the different facts and figures and finally establish a way forward for the economy of Pakistan in light of recommendations from both qualitative analysis as well as quantitative/ statistical/ mathematical calculations. A recent survey giving a snapshot of the economy, conducted by the government of Pakistan about the prevailing situation in the country can help assimilate important information as a startup which is as follows.

*Pakistan Economic Survey 2020-21 argues that*¹: Although there are quite some challenges for the economy, Pakistan is moving on inclusive and sustainable growth progressively because of many reforms that have been made during the current years. Some of the major achievements during these years are as follows:

➤ In Pakistan stabilization policy after 2017-18 crisis was being implemented due to which the economy was on the path of recovery with macroeconomic imbalances getting lesser and lesser. However, COVID-19 slowed the pace of recovery. Advent of the second and third wave brought with itself major challenges. These were also met by timely and pragmatic/ prudent policies of the state.

➤ COVID-19 is a pandemic that occurs once-in-a-century or so and has devastating effects on countries. Pakistan has emerged as a successful country in the fight against this pandemic because of the prudent and pragmatic policies implementing smart lockdowns and vaccinating under the National Command and Operation Centre (NCOC).

➤ *Further as per Pakistan Economic Survey 2021*, Working population of Pakistan Prior to COVID-19 was 55.74 million people which declined to 35.04 million people indicating that people lost jobs. Working population got restored back to 52.56 million in October of the year 2020 due to the appreciable measures taken by the government in those days. Economy thus witnessed a somewhat V-shaped recovery.

➤ *Further as per Pakistan Economic Survey 2021*, Manufacturing sector witnessed broad-based growth as Large-Scale Manufacturing and its major sectors showed significant improvements eg. Food Beverages, Textile, Tobacco, Automobile and Non-Metallic Mineral Products.

➤ During July to April FY2021, for the first time in 17 years from 2014, the macroeconomic indicator of “Current Account” witnessed a surplus of USD 0.8 million.

➤ The Roshan Digital Account posted an inflow of workers’ remittances and forex crossing USD1 billion. Remittances witnessed historical growth of 29 % during the period of July to April 2021 reaching USD 24.2 billion. State Bank of Pakistan’s (SBP’s) forex reserves bounced back after reaching a low figure to reach USD 16 billion, which was a four-years high at that time.

- Pakistan got added to the sellers' list of Amazon as a result of the exports' potential and e-commerce along-side appreciable performance pertaining to FATF conditions.
- Tax collection by Federal Board of Revenue also witnessed healthy growth of approximately 18 % in the FY2021 because of the revival of the domestic business and market. One of the factors that contributed to this indicator was the ongoing administrative reforms and the comprehensive policy of the state for tax collection.
- Primary balance was in surplus at 1 % of the Gross Domestic Production (GDP) showing significant improvement.
- *Pakistan Economic Survey 2021 further argues that* on 27th May 2021, Pakistan Stock Exchange reported an all-time high trading volume in a single day of 2.21 billion of shares. This trading occurred in a single session.
- Pakistan Stock Exchange (PSX) because of its impressive performance and growth, was given the title of the best stock market in Asia and 4th best stock market in the world in 2020. (marketcurrentswealthnet.com).
- *Pakistan Economic Survey 2021 further argues that* domestic debt improved significantly during the Fiscal Year. Short-term debt as a percent of the total debt (domestic) decreased from 54 % in June, 2018 to 23 % in March, 2021.
- After a gap of nearly 3 years, Pakistan entered the global capital market successfully raising USD 2.5 billion by means of the financial instruments. i.e the Euro bonds.
- Subscribers of cellular mobile services or in other words the number of SIMs active in the country reached a total of 182 million in March, 2021. The number was 167.3 million one year ago in June, 2020.
- Broadband (BB) subscribers increased to 100 million in March 2021.
- In FY 2021 the World Bank recognized "Ehsaas Emergency Cash" as being among top 4 social protection programs/ initiatives in terms of the population or number of people covered. Similarly other programs of the government remained underway during the time period. Eg. "Kamyab Jawan Youth Entrepreneurship Scheme" and "10 billion Tree Tsunami program". Etc.
- Pakistan Economic Survey 2021 says that the IMF has announced resumption of the stalled USD 6 billion program for providing loan to Pakistan. Also, all three primary credit rating agencies, i.e Fitch, Moody's and Standard & Poor's reassigned/ reaffirmed for Pakistan, their sovereign credit Ratings which was a testament of the sound policies of the state in those times.

1.3 Problem statement and Research Gap: -

Hussain Ishrat argues in article "Economy of Pakistan: past, present and future"ⁱⁱ that holistic approach including macroeconomic indicators of Pakistan are more than covered. Such a holistic approach involving these World Bank's Macroeconomic indicators of the economy of Pakistan and the Qualitative approach being an excellent gel of the global dynamics and recommendations from different sources evaluated with such a logic has not been taken up till now. Critiques are also unique.

Nazir and Qayyum (2010) argueⁱⁱⁱ that in the long run, consumption of oil has an impact on the economy of Pakistan which is positive. In the short run, the impact is very little on the economic growth of the country. Thus, by looking at the World Bank's data and below graph of

Fuel imports of Pakistan, we conclude that it has remained a major chunk of imports from the very beginning and created long term effects on the growth. However, dependence on imported fuel, the other Macroeconomic Indicators from the World Bank’s database, the economy being a closed one and Gross National Expenditure being the most significant predictor of the GDP per Capita (as per the quantitative analysis), we need to understand that the effects of this economic growth are long lasting. The major factor/ logic for this being the fact that our closed economy is suited more for the country and its masses keeping in view the security and national and international concerns that dictate the economic policies of our country as well. “Fuel imports as a percentage of merchandize exports” effect on economy is a significant portion of the imports and thus eat up much of the forex reserves. Inclusion of the same in the project is considerable.

As per world bank’s data,^{iv} fuel imports out of the percentage of merchandize imports for Pakistan has been gradually increasing and in 2021 it was 26.5%. In 1965 it was just 3.3%. It reached its maximum in 2012 of 36.4%.

Overall trend from 1960 to 2020 is as follows:

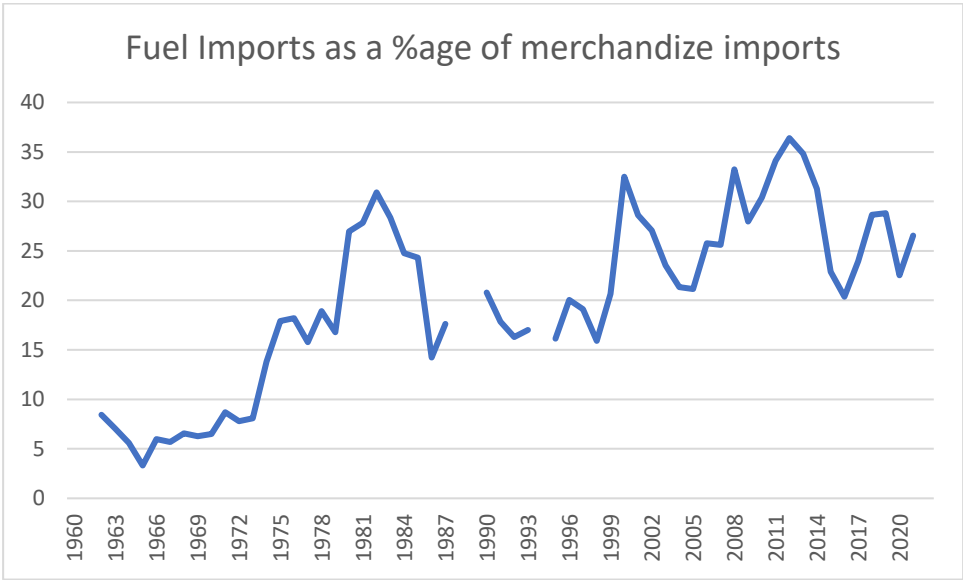


Figure 1: Fuel Imports as a %age of Merchandize Imports

This shows that the fuel imports are showing increasing trends although it did come down at times.

Hussain Ishrat argues along-side many issues: Institutional problems and fundamental structural issues played their roles along with poor governance and incessant and frequent dissolution of the elected governments and power politics of the country involving bureaucrats, politicians, feudal landlords, businessmen and many other people who had their own vested interests in the affairs of the country. Here it should be mentioned that the real issue is harnessing the diversity in the country and the article says nothing about diversity in Pakistan. *Further discussion in the findings.*

Hussain Ishrat “Economic Highs and Lows of Pakistan: Analysing the Last 70 Years” argues that:^v Divergence in economic and social outcomes of Pakistan in two phases, the first being success and the second being that of a failed state is tested through explanatory hypotheses on the decline of Pakistan’s economy against empirical evidence. However, again there is no mentioning of impact if any of the diversity in Pakistan on economic conditions.

Hussain Ishrat argues that: Export friendly and outward looking policies that integrate Pakistan into the global economy are need of the hour. No doubt Pakistan has remained a close economy. Further evaluations in the findings section.

A. Pasha Hafeez, March 2023 argues that there are many facets of the economy^{vi}. Again, no information regarding diversity in Pakistan is mentioned which is one of the most important factors in the socioeconomic and sociopolitical domain of Pakistan. Further discussion in the findings chapter.

1.4 Research Objectives: -

- a) To understand the different Macroeconomic indicators of Pakistan and their impact on the economy as well as the correlation between them.
- b) To make use of serial data estimates and the different mathematical calculations/ approaches.
- c) Focus on the historical perspective, lessons learnt from them and from countries of similar nature to Pakistan, statistical analysis and future recommendations in line with the aim to help evaluate the reasons and solutions to the economic turmoil that affect the country’s economy from time to time.

1.5 Research Main Questions: -

- a) What are the reasons and solutions to the economic disturbances and disruptions that hit Pakistan’s economy every now and then.
- b) What is the way forward for the country, looking at its history and present ground situation in light of qualitative as well as quantitative analysis.

1.6 Arrangement of the project report: -

The project report contains five chapters, detail of which are as follows:

Chapter 1: -

Chapter 1 contains the introduction, theoretical and practical significance, background of study, problem statement and research gap, research objective and research questions.

Chapter 2: -

The second chapter constitutes the literature review part. It contains the information about Pakistan's historical economic conditions, current situation including exports, imports, role of governments and the establishment and finally China's growing global power and role in the world.

Chapter 3: -

The third chapter is dedicated to the methodology. It includes the hypothesis, qualitative and quantitative approach, the research findings and the recommendations.

Chapter 4: -

Chapter 4 contains the findings and discussions on the output. The results of the qualitative as well as the quantitative analysis are explained and discussed again with the objectives of finding way outs from the problem and provide recommendations in light of these findings/ results.

Chapter 5: -

The limitations of the work are elaborated at the end. i.e in the 5th Chapter along with the recommendations once again. Finally, the conclusion is made on the complete work performed.

CHAPTER 2

LITERATURE REVIEW

2.1 Present condition of Pakistan's economy: -

World Bank reports in its latest article^{vii}: Pakistan experienced a strong post-COVID19 recovery due to better measures and global confidence. But it halted in the Fiscal Year 2023 due to overwhelming imbalances in the economy because of delay in withdrawal of fiscal policies that were undermining the country's economy and domestic and global shocks to the economy. Pressures created on external fiscal balances, domestic prices, forex reserves and the state controlling the exchange rate increased the problems in a time when commodity prices in the world were on the rise overall with tightening of the global monetary policies, flooding and political instability. Thus, economic activity and investors' confidence collapsed. Import restrictions, creditworthiness down gradation, frequent exchange rate fixing and ever-increasing interest payment rates added to the woes of the country's policy makers. As a result, high inflation eroded away the purchase power of the public in general and the poor in particular.

World Bank reports; Pakistan's economy has contracted in Fiscal Year 2023. GDP has declined in fiscal year 2023 After showing a growth of 6.1 % in Fiscal Year 2022 and a growth of 5.8 % in the Fiscal Year 2021. 44 % of the poor workers in Pakistan rely primarily on agriculture and a slow performance in this sector with the devastating floods of 2022 has impacted the poor strata of the society very hard. There have been disruptions in the supply chain because of restrictions on imports, political uncertainty, high prices of fuel along with many other indicators/factors of the economy. This has, as a result, affected the industrial growth as well.

World Bank reports; IMF's approval of the Stand-By Arrangement (SBA) which happened in the July of 2023 ensured new financing from the external creditors for Pakistan which ultimately has helped the country avoid a default situation and crisis in terms of the balance of payments on its external and internal debt servicing. The country experienced the SBA in the wake of military rule of 1999 as well. GDP growth in the current scenario is projected to be upto 1.7 % in the Fiscal Year 2024 and nominally higher in the Fiscal Year 2025 upto only 2.3%. Agriculture sector, however, has shown higher production of crops, including rice and cotton and is thus expected to improve. The industrial sector will also show some progress on the condition of further easing of restrictions on imports. The strengthening of these two very important sectors i.e the Agriculture and Industry will impact other services sectors associated. Eg. transport, storage, wholesale and retail. However, high inflation due to the ever-increasing domestic energy prices and continued depreciation is likely to keep economic activity subdued. Private investments' growth will remain marginal however, because of the lack of broader reforms that are missing at present. Socio economic stability will be one of the most important determinants of growth in GDP and for bringing a positive image of the county worldwide.

World Bank reports; Above 10 mil people have been classified as merely above the poverty line. If the economic situation of the country gets worse there is risk of these people being classified in the poor strata of the society.

World Bank says that there is need for improving the performance and working of the different sectors, primarily the energy sector and enacting reforms for bringing and encouraging investments in this sector. This will help in reducing the load shedding, improving transmission and governance, expand low-cost generation and ultimately minimizing and cutting losses.

At the same time the government needs to support the private sector through budgetary supports, investments and work supports for improving Pakistan's investment environment, agricultural markets, productivity, overall competitiveness, and skills development. The government needs to reach out to neglected, underserved, and poor strata of the society and accelerate improvements in the delivery of services. At both the federal and provincial levels, supports for increased revenues and better services by keeping more and better stretch targets are required. The same may be prioritized for those areas which are not changing fast enough. Eg the health and education sectors.

World Bank says; Pakistan is one of the most vulnerable countries to climate changes. In 2022 flooding caused loss of US\$15.2 billion to the economy. In 2005 Pakistan suffered from the deadly earthquake which caused nearly 73,000 deaths and damages to approximately 570,000 houses in total.

Health situation in Pakistan is of prime issue just like any other country of the world. Although Pakistan had made appreciable progress in complying to the Sustainable Development Goals (SDGs), still there is slow progress in the health and education sectors. A survey was conducted in 2019 which showed that ratio of maternal mortality was nearly 186 deaths in 100,000 births. This is an improvement from that in 2006-07.i.e 276 in every 100,000 births. Also, in the remote areas and the provinces of Sindh and Baluchistan this rate is twice that of the national average. Infant mortality rate is also very high in the region. i.e approximately 62 deaths in every 1,000 births. Also, the low birth weighted children are nearly 22 % of the total.

As an average, the health facilities available to an average Pakistani is inadequate in terms of maternal, reproductive, child, newborn, and adolescence health along with nutrition. Approximately 49 % of women during pregnancy do not get visits of 4 or more for anti-natal care, which is very much essential for safety of the mother and the child. 33.8 % of births occur outside the health facilities and thus the risk of mortality is quite high. Also, in Pakistan, nearly 42 % of the women at the reproductive age suffer from anemia which is primarily because of poor nutrition.

Stunting rates are still quiet alarming for children under age of 5 years, although it has come down from 45 percent to 40.2 percent from 2013 to 2018. It varies in Punjab from 36.4% to Baluchistan having 46.6%.

For children who are aged between 12 to 23 months, immunization percentages for the different provinces of Pakistan are as under:

- Punjab = 89.6%.
- Khyber Pakhtunkhwa = 61%.
- Sindh = 69.2%.
- Baluchistan = 37.7%.

2.2 Past Achievements: -

Hussain Ishrat argues (Ishrat, "Economy of Pakistan: past, present and future", Keynote address at the Conference on Islamization and the Pakistani Economy held at the Woodrow Wilson Center, Washington, D.C. , Jan 27, 2004) that: Pakistan was one of the few developing countries that maintained an above 5% average growth rate for nearly four decades which ended in 1988-89. As a consequence, poverty declined to 18 % from 40% in the end of 1980s. "Rosbach Kristian and Aleksanyan Lilia "Why Pakistan's economic growth continues to be balance-of-payments constrained"”^{viii} argue that Pakistan's high growth times worked but result was depletion of forex reserves. Macroeconomic steps taken to stop foreign currency outflows, most of the time resulted in slow growth of the economy.

2.2.1 Exports of Pakistan: -

Pakistan's exports have risen to an appreciable amount as compared to 1947 when the newly born state was crippling due to financial weakness. At present Pakistan is exporting textiles including knitwear, house linen along with clothing accessories, yarn, cotton, leather products and rice etc^{ix}. Net worth of Pakistan's exports was USD 27,724 million for 2022-23. However, it is sad to see that the imports for the same period of time is USD 55,198 million. i.e nearly double that of the exports.^x

2.2.2 GDP of Pakistan: -

The GDP Per Capita for Pakistan for 2023 is 1,471.1 USD^{xi}. *The Food and Agriculture Organization of the United Nations reported that*^{xiii} "The industry sector accounts for nearly 18.5 percent of the GDP; Agriculture has a share of nearly 22.9 percent and services sector encompasses nearly 58.6 percent of the GDP/Economy". Tax to GDP ratio is not recommended here in this holistic approach to the economy as there can be many factors that can influence the economy. Also, many countries like UAE, Bahrain etc are rich countries but are tax free. Importantly however, most developed countries have high ratios because of their economies being well established.

2.2.3 Scientific and technical journal articles: -

One of the encouraging features of Pakistani Human Resource is that despite having limited facilities and resources, they have shown appreciable progress. *World Bank has reported that* scientific and technical journals published in Pakistan from the mid-90s to 2020 have shown an increasing trend with just 728 in 1996 reaching well above 17,000 journal articles in 2020.

2.2.4 Electricity production: -

ScienceDirect says that^{xiii} "In 1947, at Independence, capacity of power generation in Pakistan was just 60 MW". *However as per latest data of Business recorder*^{xiv}, at present, power generation in July 2023 was about 19,945MW.

2.2.5 Agriculture, forestry, and fishing, value added (annual % growth): -

World Bank's data has shown that for the last 62 years, that is from 1960 to 2022, the average annual growth in the above metric/ Macroeconomic indicator of the economy that is Agriculture, forestry and fishing (Value added) has been more than 3.4 percent (3.498 percent to be exact) with occasional negative growths. This has helped the economy and meeting the food requirements of the population of Pakistan.

2.2.6 Road, Railways and Air Transport Network: -

*Competition Commission of Pakistan says in its 2018 article on road networks in Pakistan that^{xv} "At Independence, Pakistan had a road network span of nearly 50,367 km in all". *Pakistan Economic Survey, 2013–14* says that ^{xvi}"Span of public roads in Pakistan is nearly 263,755 kilometers". The current road and highways network in Pakistan is the same. i.e. 263,775 km long. Railways network however, did not increase at the same pace and showed a constant setup for most of the history of Pakistan. *As per World Bank's data* "Air transport, registered carrier departures worldwide" was approximately 30,000 in 1970 for Pakistan. This number showed a mix trend by increasing and decreasing at times. However, it reached its peak of 74,400 in 1999 and in 2021 it was above 36,000.*

2.2.7 Technological Prowess of Pakistan: -

At the time of Independence, Pakistan was faced with numerous challenges from which the country slowly and gradually exited. At that stage the state was struggling to just survive and make the two ends meet. Thus, technological prowess of the new born country was minimum. However, during its journey, Pakistan has made significant advances including establishment of a defense industry, nuclear technology for both defense and civil and agricultural purposes, steel industry, household items and others. Pakistan's defense products are displayed in Defense Expos in Karachi and other parts of the world which provides opportunities for the export of these products. *For the year 2021, World Bank gives a figure of USD 53 million for Pakistan's Arms Exports.*^{xvii}

2.2.8 Natural Resources in Pakistan: -

Planning Commission of Pakistan "Development of minerals in Pakistan" argues that:^{xviii} At the time of Independence minerals of Pakistan were not much discovered/ exploited. However, now it has been found out that Pakistan has huge reserves of important minerals which cover an area of 600,000 Km square. Known minerals are 92 in total and 52 are being exploited commercially. Total production in this sector is 68.52 mill metric tons every year".

2.2.9 Private technology usage eg. Telecommunication: -

Robert E. Looney says in his article on Telecom Policy of Pakistan, 1998 that^{xix} "At the time of independence Pakistan had only 12,436 telephone lines. Also, these connections were concentrated in just a few places in the urban population of the country. Just 2 x exchanges existed

in Lahore and Karachi which were also manual”. However, as per PTA’s latest figures telecom users/ mobile density in Pakistan at present is nearly 79.11 % of the total population^{xx}.

Currently 4 x mobile companies are operating in Pakistan which are Pakistan Mobile Communication Limited (PMCL/Jazz), Telenor Pakistan, Ufone, and China Mobile Pakistan/ Zong. These operators are providing services that encompass the latest technologies. i.e GSM (3G and 4G), LTE, WIMAX, WCDMA and many more. Thus, Pakistan has leaped forward in this sector although more advancement is possible.

2.3 Failures: -

2.3.1 Inflation: -

Dr. Hafeez A. Pasha argues in his article^{xxi} “High inflation rate in economy of Pakistan can be attributed to the following factors in the table given below. Econometric analysis of 1990-91 to 2021-22 data of the factors is calculated with their impact on the inflation rate”:

For one percentage point increase in	Impact in % Points on Rate of Inflation
• Rate of Expansion in Money Supply ¹	0.171
• Growth Rate of Real GDP	-0.305
• Rate of Increase in Import Prices (in \$)	0.172
• Rate of Depreciation of Exchange Rate ²	0.172
• Rate of Increase in Administered Prices ³	0.089
• Rate of Change in Inflationary Expectations ⁴	0.569

¹Lagged by One Year

² $\left(\frac{\varepsilon_t - \varepsilon_{t-1}}{\varepsilon_{t-1}}\right) \times 100$, where ε_t is the exchange rate in Rs per \$ in year t

³Prices of transport, electricity, and gas for domestic consumers

⁴Rate of Inflation lagged by one year

1 $\bar{R}^2 = 0.982$, D-W = 1.951, F-Stat = 320.81

Figure 2: Factors for Inflation

A one % increase in the monetary expansion rate impacted the inflation by 0.17 %age points. GDP growth by one percent effected inflation rate by negative 0.31 %. Similarly rise in prices (USD) and depreciation of local currency by 1 %age point effected/ increased the inflation rate by 0.17 %.

2.3.2 Low literacy rate: -

Ishrat Hussain argues that; There are some setbacks from which the country has suffered and is still suffering. The most important point in this regard is certainly the education sector. The per

capita income would have doubled in case the literacy rate had also increased by 100 percent. i.e in the start of this century it stood at \$500 which would have been \$1000 if literacy rate had doubled as well.

2.3.3 Current health expenditure (% of GDP): -

As per record of World bank, the above metric of Current Health Expenditure as a percentage of the GDP, for the last 23 years starting from 2000, has been below 3 percent. This has resulted indirectly in malnutrition and other health related issues emanating as a consequence alongside more expenditure of the populace on private Hospitals for health and related issues.

2.3.4 Technical Knowledge/skills: -

Ishrat Hussain argues that in 1960s Pakistan manufactured exports products which were more than that of Indonesia, Thailand, Malaysia and Philippines. The mistake made by the economic analysts was that they did not preempt the changes that were to come in due course of time. Technical knowledge and expertise proved to be a game changer for these countries of South East Asia. If Pakistan had concentrated on imparting technical skills to its labor at par with these South East Asian countries, Pakistan’s exports would have been much better in comparison today as they were in the 1960s.

2.3.5 Gross domestic savings (% of GDP): -

World Bank’s data on Pakistan from Independence till 2022 shows that the Pakistani nation has the tendency of little savings. The Gross domestic savings as a percentage of the GDP has never been more than 17.5%, and from 2010 to 2022 i.e in the recent years it has been well below 10 percent of the GDP.

2.3.6 International Rankings of Pakistan: -

The above metric highlights external perceptions of the country in the world over.

Ranking of Pakistan in Different Indicators					
Years	Human Development Index Ranking (UNDP)	Global Competitiveness Ranking (World Economic Forum)	Corruption Perceptions Index (Transparency International)	CPIA Economic Management (World Bank)	CPIA Fiscal Management (World Bank)
2008	125	92	134	3.0	2.5
2013	146	112	127	2.8	2.5
2018	150	107	117	3.2	3.0
2020-2022	161	110	140	3.3	2.5

Table 1: Ranking of Pakistan in Different Indicators

The World Bank’s (CPIA) Country Policy and Institutional Assessment talks about (Hafiz A. Pasha, 2023) performance of the country and assigns score of 1 (Lowest) to 6 (Highest). Pakistan

is in 2.5 to 3.5 range as above. Thus, CPIA ranking of Pakistan is low as per UNDP. Unfortunately, it got worse from 2008 to 2022.

2.3.7 Population: -

As per World Bank's data the population growth rate in the last decade has been between 1.7% to 2.3% and in 2022 it stands at 1.89%. Due to these factors, poverty skyrocketed from 18% (1988-89) to above 32 % in ending years of 1990s. (Ishrat, Jan 27, 2004) As per World Bank's data, in 2023, poverty is estimated to be nearly 37.2 % (\$3.65 per day 2017 PPP).

2.3.8 Medium and high-tech exports (% of manufactured exports): -

As per World Bank's data from 1990 to 2021, the above exports of Medium and High Technology from Pakistan have never been equivalent or more than 12 percent of the total manufactured exports. World history shows that the countries that excelled and controlled technology have led others. Thus, Pakistan has been lagging behind in this sector which is a setback worth consideration.

2.3.9 Failure of Governments in meeting their commitments with the International

Agencies: -

On the international front the failure of governments in meeting their commitments with the IMF, World Bank, Asian Development Bank and other international bodies resulted in a very serious gap in terms of credibility of the country and its leadership to attract donors. At present however, this issue has been realized strongly and the state is very much bent to fulfil this gap by sticking to the demands of the IMF and finally saying goodbye to the donor financial institution for good.

Figure of GDP and Inflation rate below: Worst case scenario in 2023 but predicted to improve as shown below.

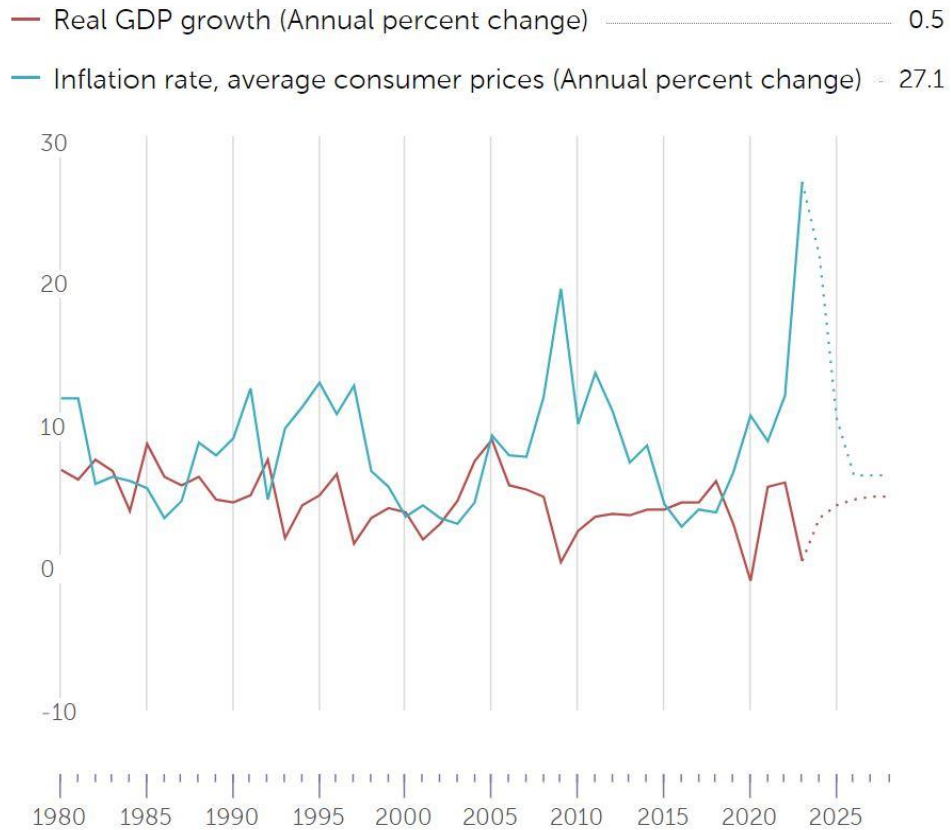


Figure 3: Graph of GDP and Inflation 1980-2024

As per data of the last 40 years the following is encouraging. i.e GDP per capita which was \$500 in start of century could have been doubled to \$1000 if literacy level would have also doubled although still encouraging.

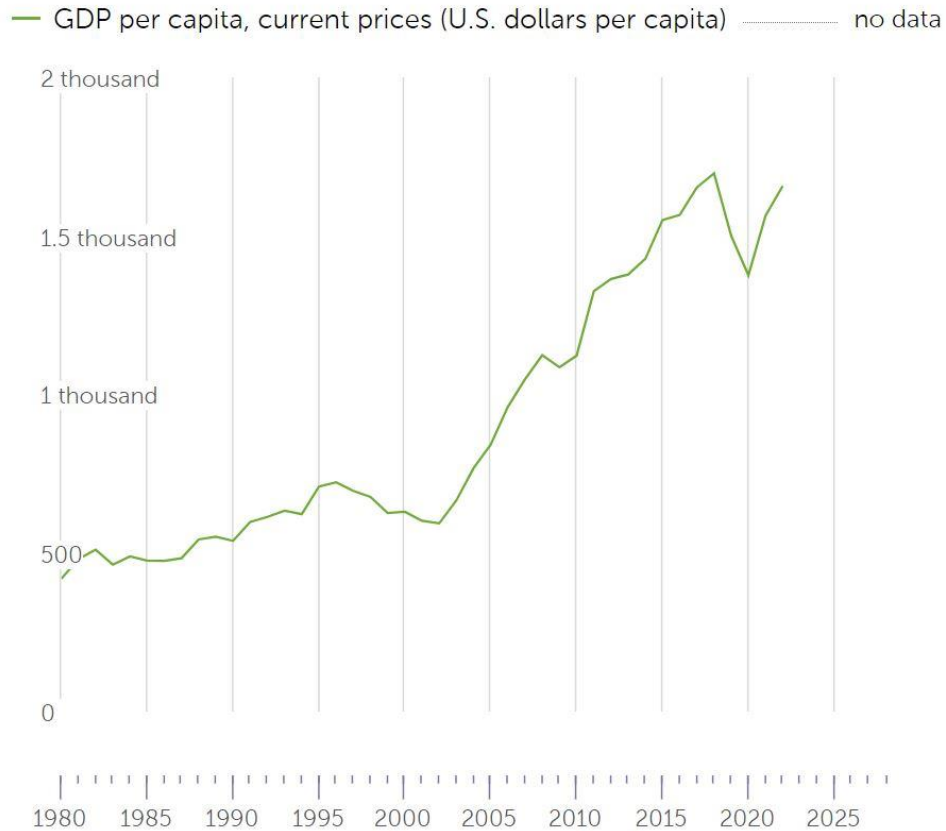


Figure 4: GDP per Capita 1980-2024

2.4 Exports of Pakistan: -

Afgun Ayesha, Research Associate argues that^{xiii} “Pakistan’s share in world’s exports is just 0.13 %. In Nov 2022, Exports constituted 9.98% of Pakistan’s Gross Domestic Production (GDP)”.

- 21% share of the US.
- 11% share of China.
- 7.3% share of the UK.
- 5.4% share of Germany.
- Europe’s total share is 35%.
- Asia’s total share is 34%.
- Americas total share is 24%.
- Africa total share is 5.1%.
- Oceania’s total share is 1.3%

2.5 Imports of Pakistan: -

Afgun Ayesha, Research Associate argues that “Pakistan imports petroleum and its derivative products eg. Petroleum and petro-gas and crude oil etc. along with Electrical items, electronic items, Edible oil, Iron, Machinery, Steel, Organic Chemicals and Organic products, Pharmaceuticals, Defence needs and Vehicles etc”.



Figure 5: Exports and Imports of Pakistan

Share of Imports is as under:

- Asia caters for 74% of Pakistan’s imports.
- Europe caters for 10% of Pakistan’s imports.
- With US, Africa and Oceania to follow. (In Nov 2022).

Table 2 shows the trend of trade between Pakistan and China. *Dr. Hafeez A. Pasha argues that “Free Trade Agreement between Pakistan and China has resulted in imbalance in the trade between them as can be seen in the table below. Pakistan’s imports from China are six times as much as its exports to China. Also imports from China are almost 25 % of Pakistan’s total imports”.*

Trend in Trade with China					(\$ Million)
EXPORTS	2005-06	2010-11	2015-16	2019-20	2021-22
China Exports to Pakistan	2706	3534	12098	13301	17296
Pakistan’s Exports to China	464	576	1670	2043	2781
Ratio	5.83	6.13	7.24	6.51	6.22

Source: SBP

Table 2. Trends in Trade with China

Pakistan is in need to renegotiate its terms and conditions of this Free Trade Agreement with China. (Hafiz A. Pasha, 2023)

Pakistan has to evaluate if the duty-free imports have resulted in damage to its own industries. Zero tariff on imports from China may be minimized after due diligence is done on understanding the benefits and implications that may pop up as a result of it. (Hafiz A. Pasha, 2023).

2.6 Nuclear tests: -

In 1998 Pakistan conducted its nuclear tests in the remote area of Chaghi. After the tests the western world-imposed sanctions on Pakistan and the investors' confidence reached its lowest point. The situation got worse after the 9/11 attacks on US and the aftermath of this also fell on the neighboring and adjacent country of Pakistan. i.e Afghanistan. This scenario affected and hit the Pakistani economy further. However, Pakistan did manage to emerge successfully and is in the process of economic progress despite many odds that come up from time to time.

2.6.1 Military regime's efforts and Standby arrangement: -

In the military regime the achieving of stability on the macroeconomic front and achieving key and major structural reforms of priorities were enacted for improving the economy for better governance and improving governance for better economy. These reforms composed of financial sector restructuring, privatization, enhancing pace for deregulation and trade, liberalization and slowly and steadily moving to a market-led economy. As of now in 2023, a stand-by arrangement program (SBA) got in place in the November of 2000 and was implemented successfully with a 3 years' program for poverty reduction and economic growth. (Ishrat, Jan 27, 2004)

2.7 China's position in the world and the region: -

During the COVID-19 pandemic, the US and its Western allies behaved in a selfish manner in giving access to the vaccine developed in the west by hoarding which was felt by the developing and underdeveloped countries all over the world. It was among one of the steps taken by these countries which hit their reputation.

The world viewed BRICS as a better forum than the UN which is dominated by the US and its western allies and that BRICS membership is deemed to be more productive for increased trade, development, finance, and investment for the world in general and the underdeveloped and developing countries in particular. ^{xxiii}

COVID-19 furthered the feelings of disparity among the developing and underdeveloped world when the pandemic vaccines were limited and mostly hoarded by these developed countries.

2.7.1. Belt and Road Initiative (BRI): -

Chinese president Xi Jinping's vision for the Belt and Road Initiative (BRI) encompasses following key steps. ^{xxiv}

- Following the golden principles of contribution, consultation and sharing goodness and benefits.
- Enacting coordination and synergy in policies.
- Employing advanced technological and scientific knowledge and including artificial intelligence in matters of governance.
- Enhancing development for integrity-based cooperation in all fields of interests.
- Ensuring multidimensional relationships with the world's nations.
- Green development for a better world and move from the existing economic setup to low-carbon models as much as possible.

2.7.2 Shanghai Cooperation Organization: -

Ambassador Babar Amin (Retired) argues that^{xxv} “The SCO was formed on 15th of June of the year 2001 by China, Kyrgyzstan, Republic of Kazakhstan, Russia, Tajikistan and Uzbekistan. Initially it was called ‘Shanghai Five’ but after the entrance of sixth member i.e Uzbekistan its name was changed to Shanghai Cooperation Organization with a broader and multifaceted cooperation between the member state from an initial mandate of military trust in the border regions. Pakistan and India became Members on 9th of June of the year 2017 in the Council of Heads of States meeting in Astana. Before that, Pakistan, India and Iran were admitted as Observers on 5th of July of the year 2005”.

2.7.2.1 Significance of SCO: -

- 1/4 of global oil reserves.
- 1/3 of global gas reserves.
- 1/2 of the global known uranium reserves.
- Considerable capability of global food production.
- Technology and technical knowhow.
- 41 % of the world's population lies in this region.
- 23 % of the world's Gross Domestic Production.
- 2 x permanent members of the United Nation's Security Council.
- 4 x states being members of the nuclear club.

2.8 Related Work: -

Husain Ishrat (Ishrat, Economic Highs and Lows of Pakistan: Analysing the Last 70 Years: The Way Forward., 2019) argues that^{xxvi} the economy of Pakistan can be more easily evaluated if we divide it into two phases in the last 75 years since independence. The 1st phase can be the first 40 years from 1947 to 1988 and the 2nd phase can be from 1990 till now. Pakistan performed excellently economically in the first phase, leaving behind India and Bangladesh. In the second phase Pakistan's economy remained in turmoil and lagged behind from nearly everyone in South Asia. Explanation for such divergence in terms of economy and society are difficult to evaluate. However, a procedure comprising of evaluation of different hypotheses explaining the decline process of the economy were tested/ evaluated with empirical evidences. Although none of these were valid. Further, careful examination of other empirical and theoretical evidences concluded that differentiation in the institutional behavior and capacity gave an answer which was more

appealing and persuasive. Examining the history of Pakistan, conclusion is that an incremental approach to reform and restructure some primary institutions of the country related to security, accountability, equity and growth is better instead of reforms in all organs of the state.

Mahmood Khalid, argues that^{xxvii} Pakistan approaches the International Monetary Fund (IMF) every now and then for stabilization, relief and support. These steps/ programs help in emergency and temporary macroeconomic stabilisation but are not prescribed for long term sustainability. These steps thus naturally result in worsening of fiscal conditions continually and create hurdles in the economic growth through interventions in the fiscal policies of the state. Thus, continuity is lost which damages the confidence of the investors and business strata of the society. The below figure shows that the gap between revenue and expenditures keeps on widening every fiscal year alarmingly.

Way forward and opportunities to reforms has no mathematical answer. It is a complex puzzle.



Source: www.sbp.org.pk

Figure 6: Gap Between Revenue and Expenditures

However, some of the key areas for reforms can be as follows:

1. Planning Commission should be made independent for refocusing Fiscal Policy for facilitating growth.
2. Development Budget and Recurrent Budget process should be aligned with the Public Financial Management PFM Act-2019 by capacity building and further improvements in the documentation of the act.
3. Debt Management should be made better by exploring more beneficial options/ opportunities for raising debt.

4. Refocusing the Public Sector Development Program (PSDP) to software of the economy, instead of just from infrastructure-hardware, thus implementing result-oriented frameworks. In this regards the Public Investment Management (PIM) of the World Bank can be a good option.

5. Solving State Owned Enterprises (SOEs) issues/ conundrum after comprehensive homework.

6. In the long run, making pensions sustainable and moving towards the Defined Contribution System of Pensions for sustainability of this liability on the state.

7. Implementing a clear and consistent tax policy with the purpose of taxation being promotion of economic growth, investment, and fairness with a facilitating procedure for the common man.

Husain Ishrat (Ishrat, Economic Highs and Lows of Pakistan: Analysing the Last 70 Years: The Way Forward., 2019) argues that empirical and theoretical results show that the most significant and potent explanation is the decay/ demise of governance and its institutions. During the first four decades when Pakistan's economy was performing excellent despite several difficulties due to shocks that were both external as well as internal, it is proved that the intermediation process that involved these institutions was the primary impetus for this growth. Thus, it is the robustness, quality and responsiveness these institutions show which can certainly impact economic and social policies.

Hussain Ishrat argues (Ishrat, "Economy of Pakistan: past, present and future", Keynote address at the Conference on Islamization and the Pakistani Economy held at the Woodrow Wilson Center, Washington, D.C. , Jan 27, 2004) that along-side many issues: Institutional problems and fundamental structural issues played their roles along with poor governance and incessant and frequent dissolution of the elected governments and power politics of the country involving bureaucrats, politicians, feudal landlords, businessmen, along with many other people who had their own vested interests in the affairs of the country.

Hussain Ishrat argues (Ishrat, Economic Highs and Lows of Pakistan: Analysing the Last 70 Years: The Way Forward., 2019) that In Pakistan there are three major arms of the state. i.e judiciary that protects the property rights and enforces the constitution, the law and the contracts; the legislature that formulate the laws; and finally, the executive which runs the government and provides goods and services to the people. The history of Pakistan along with lessons learned from similar developing countries like Pakistan, suggest that it is the integration and interaction between the different policies of the state that ensures and promotes good governance. Sound policies whether economic or societal cannot yield expected results if the institutions and institutional frameworks are weak and leadership is undecisive.

Husain Ishrat (Ishrat, Economic Highs and Lows of Pakistan: Analysing the Last 70 Years: The Way Forward., 2019) argues that there is not much difference in the flows of foreign capital in the history of Pakistan if we talk about times of high or low growth rates. Therefore, the hypothesis that high foreign assistance is the cause of high performance of the economy does not hold valid. Table below is a good depiction of this fact.

Table 1: Foreign Capital Flows to Pakistan

Period	Government Type	Growth Outcome	Annual Average Flows (\$ Million)
1960s vs 1970s	Military Democratic	High growth Low growth	385 588
1980s vs 1990s	Military Democratic	High growth Low growth	870 1,110
2000-08 vs 2009-14	Military Democratic	High growth Low growth	1,653 2,851

Source: Compiled from the Government of Pakistan 'Economic Survey' (various issues), The World Bank World Development Indicators and State Bank of Pakistan 'Handbook of Statistics'.

Table 3: Foreign Capital Flows to Pakistan

Following Table negates another perception widely held about Pakistan being addicted to aid from outside world only. i.e that it cannot survive without the inflows from foreign savings. The below table shows that in the 1960s, at the peak, foreign savings were high. i.e 7.4 % of the Gross Domestic Production (GDP) and large investment were made for the Indus Basin works, industrial base, tube-wells, dams and canals, and other capital expenditures of this period. Economy's size was relatively smaller then. The same ratio/ proportion has kept on declining from that period onwards and is quite low now with the economy getting much larger from before. Thus, the perception that there is excessive dependence on aid does not hold true as well.

Table 2: Net Official Development Assistance (ODA) to Pakistan

Years	% of Gross National Income
1960 – 68	7.4
1969 – 71	3.9
1972 – 77	5.1
1978 – 88	2.9
1989 – 99	2.2
2000 – 07	1.7
2008 – 14	1.3

Source: WB (n.d.).

Table 4: Net Official Development Assistance to Pakistan

Another perception that the western world has always supported dictators instead of democracy in Pakistan is also not valid. It must be understood and remembered that the United States had curtailed/ suspended its military and economic assistance to Pakistan at critical times in history even when military dictators held the reigns of the government in Pakistan.

Husain Ishrat (Ishrat, Economic Highs and Lows of Pakistan: Analysing the Last 70 Years: The Way Forward., 2019) argues that one more factor that lies in the general perception of the people of Pakistan is that the economic conditions of the globe as a whole impacted the economy of Pakistan. Radelet (2016) argues that^{xxviii} most EDCs i.e Emerging and Developing Countries of the world made great leaps between 1995 and 2013 and per capita income in these countries increased more than 70%. Also, the poor population halved from 2 billion people in 1990 to nearly 897 million by the year 2012. Poor population came down from 37 % to 13 % in 2012 out of the world’s total population. Share in the world exports of these EDCs increased from 24% to 41%. In the same period, Capital flows also leaped from \$91 billion to \$1145 billion. Thus, the general perception as above does not hold true as there have been many times which nullify this hypothesis. Eg. between 1990 and 2008 the external conditions for Pakistan and many other countries of the world for that matter were quite favourable. Thus, the external/ global conditions should not be blamed for the low performance of the economy of Pakistan.

Husain Ishrat argues (Ishrat, Economic Highs and Lows of Pakistan: Analysing the Last 70 Years: The Way Forward., 2019) that there are analysts that insist on the military expenditure to be the primary factor for the poor performance of the economy in Pakistan. i.e Syndrome of ‘The Garrison State’ (Shah 2014; Haqqani 2005 & 2013; Abbas 2005). The interests of the military establishment reigns supreme even in the economic arena. However, below table shows that the growth in defence spending remained higher during the first 40 years and the Gross Domestic Production also grew rapidly as compared to recent times which nullifies this hypothesis as well.

	Annual Growth Rate of Defence Expenditure %	Annual Growth Rate of GDP
1950 - 90	9.0	5.9
1990 - 2015	3.0	4.3
1950 - 2015	5.4	4.8

Source: Calculated from Government of Pakistan ‘Economic Survey’ (various years).

Table 5: Annual Defense Expenditure and Annual GDP growth

Hussain Ishrat argues that^{xxix} one of the common problems for countries of South Asia especially Pakistan and India is that of weak provision of basic services for the common man/public. This is primarily because of low accountability of the bureaucracy, political interference and corruption which is very much present in the societies and governments of these countries and limits efforts and impact of actions taken to thwart the menace of poverty. Further to this dilemma, expectations of the public is not fulfilled and the gap between the poor and the rich is ever increasing. Impression in the eyes of the public about their political parties is also diminishing which is in fact a testimony to this reality.

Hussain Ishrat, Institute of Business Administration (IBA), “Pakistan and Indian Economies Compared” argues that until late 1980’s Pakistan’s economy was well ahead of India but after

that it plunged and India took the lead. Pakistan maintained a consistent above 5 % growth of the economy till this time due to which the poverty level also declined from 40 percent to just 18 percent. But after that political instability and chaotic conditions of the economy hit the country's image badly. Investors' confidence remained low and Gross National Income per capita did not rise as expected primarily because of low education and literacy levels.

Internal security issues along with the war against terrorism added to the miseries of economy. Private sector confidence has never been restored fully after the political turmoil of 1990's, followed by the war against terror and present political and economic turmoil of the country. Deficiencies in the infrastructure, especially electricity problems are having a negative impact on businesses and lifestyle of the masses. One of the major concerns for policy makers of Pakistan is to understand the sociopolitical effects and sentiments of the public that these untoward events create along with the circumstances that emerge as a result of them.

CHAPTER 3

RESEARCH METHDOLOGY

3.1 Development of Hypothesis: -

“Pakistan’s Economy needs Five Pillars/Policy Points, Exports (IT and Youth/ HR), Keeping it a closed economy with deregulation within, Being realistic/ giving importance to what’s available, a hybrid system/ approach to economy and security (International Partnerships like Gwadar port being a tax free zone) and taking all national stakeholders onboard (eg.SIFC)”.

3.1.1 Further Elaboration: -

- For a country like Pakistan which comes across many mishaps and turmoil the most important one is the exports. Peculiar feature of the economy which supports the exports in case of currency depreciation needs to be exploited.
- Islamic system suits Pakistan well. what’s available. i.e Benefits of Islamic system over Capitalism and Socialism and Proximity of Islamic countries.
- Tax Reforms. (*a hybrid system/ approach*). Creating Tax free Zones in Pakistan to attract investments and support for investments and strategic purposes.
- Pak China relationships. BRICS and SCO. Reaping the benefits of Belt and Road Initiatives. (International Partnerships)
- Centralization, P3A, No Government’s role in Exchange rate of Currency and Tax Net. (Opening up of economy within).
- Role of SIFC and Military’s involvement in the economic endeavors of the country. (Taking all national stakeholders onboard)
- Investments in HR especially the youth and IT exports.
- Analysis of statistical results (Proves a closed economy and exports being very low) for taking better decisions.

3.2. Sample of Study: -

R. Jain argues that^{xxx} there can be many means to collect data for analysis. We can use evaluation measurement, analytical modelling and simulations.

3.2.1 Evaluation Measurement means to actually measure the system physically. Measurement means the study of activities for assessing the impacts and effectiveness of a program on its participants. This approach, however, results in higher costs. It is difficult to measure the performance of different scenarios in this approach.

3.2.2 Analytical Modeling is a procedure to model the behavior of a system. In this model design options based on actual or anticipated usage is evaluated. It is done in general experiments performed to determine how a system will perform in stability and in responsiveness.

Analytical Modeling has two steps. First, we have to describe the system mathematically with some mathematical tools. Secondly, we have to apply numerical methods to evaluate the developed mathematical model. If the system is small and simple then analytical modeling is the best choice. The analytical model should be mathematically tractable. A numerical solution of the problem will need a little computational effort. If the analytical modeling is properly used it can be quite cost effective. Therefore, it can give an abstract view of the components interacting with each other. However, if many assumptions are made on the system, then analytical modeling might not give a right representation of the system.

3.2.3 Simulation means getting some information about how something will behave without actually building that thing. eg. if we want to see how a racecar will behave and what will be the constraints on the car we can use computer simulations to determine the useful insight about different decisions we want to make about the car. Thus, we get information about the whole scenario without building or testing the car in real life.

Simulation is well recognized in Engineering. Simulation has helped to reduce cost and improve quality of products and document the different lessons that are learned. Simulation helps to create basis for making managerial and technical decisions.

The different benefits of simulations can be summarized as follows.

- Simulation is cheaper and safer than conducting experiments. Simulation software can be used to simulate hurricanes, natural catastrophes and even nuclear detonations and their effects. Simulating nuclear detonations can help in better preparedness in the event of nuclear explosion.
- Simulations are generally more realistic than traditional experiments. They utilize the free configuration of the environmental parameters found in the final product.
- Simulations are conducted faster than real time. Thus, analysis of different alternatives and if-then-else analysis can efficiently be done by simulation.
- Simulation creates a coherent environment for the creation of simulated systems from start to the end.

The project is based on all the three methods of Evaluation Measurement, analytical modelling and Simulation. Analytical modelling is there because not many assumptions are made on the system. Also, Evaluation Measurement to attempt to actually measure the system physically has been done. The mathematical model constitutes the regression process (with IVs and DV), EVA and other calculations. Evaluation Measurement means the study of activities for assessing the impacts and effectiveness of a program on its participants. As the research project primarily deals with the 23 years' data of Macroeconomic Indicators of Pakistan extracted from the database of World Bank from 1999 to 2022, it is actual measurement of the scenarios containing the variables. This data is used for the regression process and statistical/ mathematical results/ outcomes which in this context represents simulation in SPSS. At the same time the qualitative analysis is performed with conclusions and deductions basing on historical performance of Pakistan's socioeconomic and sociopolitical circumstances that occurred and effected the economy. Performance of other countries in context, eg. China is also evaluated and learned from. Here it is pertinent to mention that different economic models have been evaluated for selecting the best possible one for Pakistan or a hybrid combination to end with. The data is time data (time bound

for regression purposes) as well as panel data for quantitative/ qualitative analysis. eg. Change in the economic indicators on yearly basis and experiences of the world/ China etc.

3.3 Research Model: -

The research primarily has two parts. i.e The Quantitative and Qualitative findings/ evaluations.

For the qualitative part the analysis has been discussed above.

For the quantitative part we get the following regression equation after running the regression:

$$\text{GDPPC} = \text{Constant} + \text{GNE} + \text{TLS} + \text{MVA} + \text{ROL} + \text{TGDP} + \text{MCS}$$

GDPPC= GDP Per Capita.

GNE=Gross National Expenditure.

TLS=Taxes less subsidies.

MVA= Manufacturing value added.

ROL= Rule of law.

TGDP=Trade percent of GDP.

MCS=Mobile Cellular Subscriptions.

Profitability Index/ Ratio of Gross National Expenditure and Gross National Income metric is calculated from 1985 to 2022 extracted from World Bank's data for Pakistan.

Economic Value Added (EVA) has below formula:

$$\text{EVA} = \text{Project Cash Flow} - (\text{cost of capital}) * (\text{invested capital})$$

1. Implies that $\text{EVA} = \text{GNI} - \{\text{GDP Growth} * (\text{Money going into the economy})\}$ Money going into the economy can be "Sum of FDI, Exports, remittances and Aid".
2. Implies that $\text{EVA} = \text{GNI} - \{\text{GDP Growth} * (\text{Gross National Expenditure})\}$ This gives the EVA in terms of increase or decrease in national expenditures.

3.4. Description of Variables: -

a) Dependent Variable: -

The Gross Domestic Product Per Capita (GDP/ Capita) is the dependent variable for the regression process.

b) Independent Variable: -

The model has 24 Predictors/ Independent Variables which are different Macroeconomic Indicators taken from the databank of World Bank for Pakistan.

3.5. Estimation Technique: -

Panel data is used to evaluate the relationship between the Dependent Variable i.e GDP Per Capita and the Independent Variables, 23 in this case taken out of the Macroeconomic Indicators for Pakistan by World Bank. Regression analysis of this dataset indicates that the most significant predictor of the Dependent Variable, i.e The GDP Per Capita is the Gross National Expenditure, followed by Taxes Less Subsidies and so on. The estimation technique is based on stepwise regression analysis in which the simulation software SPSS calculates and collects the most significant IV, then goes back and collects and states the next most significant IV. SPSS repeats this process until it encounters an IV which is not significant. At this stage SPSS stops the regression process.

Alongside the above process two more indicators of economy, i.e Profitability Index (PI) and Economic Value Added (EVA) are calculated for period from 1985 to 2022 which gives further insights into how economy of Pakistan has performed in these times.

CHAPTER 4

RESULTS AND DISCUSSIONS

According to the study conducted it is evident that the economy is a very diverse and complex topic to cover and 100 percent analysis is not possible as the economic indicators can be as much as one can think of. However, in light of the processes conducted with the available data and logical inferences deducted from past events and current scenarios, it is very much clear what kind of economy do we have. Although, agriculture, industry and services sectors make up for nearly all of the economy of Pakistan, these indicators have not been considered and the problem is looked at with a different viewpoint and perspective. The quantitative results are based on the 24 Macroeconomic Indicators as were available from the World Bank's database which suggest the six most significant predictors of the GDP per Capita representing the economy (As Stepwise Regression is employed). Similarly, the EVA and other mathematical calculations also give a glimpse of the economy and are quite helpful in the process. Thus, in line with this approach the following recommendations are suggested:

4.1 Qualitative analysis: -

Proposed Strategy/ Future Direction/ Recommendations for Pakistan: -

One of the most important factors/ issues that are undermining the economic development is harnessing the diversity in the country and the articles under discussion say nothing about diversity in Pakistan. *World Bank's data shows* that adult literacy of the whole world is nearly 87% where the rate shows percent of people aged between 15 years and above who are able to both read and write a simple sentence with understanding related to their life. The tertiary (college/university onward) percentage is low even in the developed countries with highest rate being 69% in South Korea and lowest being 28 % in Italy. The rate is very low in developing and under developed countries along with low standard of education in these regions. This again supports the idea of world population in general being unaware, illiterate and concerned more about just making the ends meet instead of showing interest in knowledge economy and understanding the nitty gritty of how the scientific world works. Thus, role of diversity in a country like Pakistan overcomes and is stronger than most economic indicators dictating the way the economy performs. The proposed strategy in part gives recommendations that apply in place of Ishrat Hussain's proposals.

Hussain Ishrat argues (Ishrat, "Economy of Pakistan: past, present and future", Keynote address at the Conference on Islamization and the Pakistani Economy held at the Woodrow Wilson Center, Washington, D.C. , Jan 27, 2004) that "Export friendly and outward looking policies that integrate Pakistan into the global economy are required". No doubt Pakistan has remained a close economy. *As per IMF's report dated 04 Feb 2022* ^{xxxix} "Pakistan is a very closed economy. Openness—as measured by the sum of exports and imports—is very low compared to other regions as well as other emerging and developing economies (EMDEs)". However again as per IMF's data Pakistan has limited FTAs i.e free trade agreements with the world. They include FTAs with Sri Lanka, China and Malaysia. Trade agreements with preferential status, i.e preferential trade agreements are signed by Pakistan with Indonesia, Turkey, Iran and Mauritius. Pakistan is also a member of many trading blocs including SAARC and SCO. However, as per latest data/

figures Pakistan exports a considerable number of products to the US (First Export Destination), UK (Third Export Destination) and Germany (Fourth Export Destination) with whom Pakistan does not have any FTAs at all. The exports to these countries comprised nearly 34 % of the total exports. On the contrary, exports to the 3 Free Trade Agreement markets are much lesser and in 2021, it was just 10 % of the total merchandise exports of the country. Thus, it gives a clear indication that the openness of the market is very much there. However, geostrategic position of Pakistan, political and security concerns and strained relationships with many countries eg. India stops the state from being open to all. As a whole Pakistan has always remained an open market which was also depicted by the state discouraging socialism and supporting capitalist market during the cold war.

What Pakistan can do is that it should invest more in its infrastructure and Human Capital especially in context of the CPEC as China is deemed to be a leader of the world by 2050 as conceived by Jim O'Neill's while referring to the BRICS block in which China has been accepted as the leader because the GDP of China is far more than the combined GDP of the other member states which hold very important positions in the global context.

4.1.1 Exports, FDI and Remittances: -

Exports, Foreign Direct Investments and Remittances from the Pakistani diaspora residing outside the country are the three means to bring money and foreign currency in the country. In some cases, Foreign Aid is also available but occasionally so. The effect of these three means can be and have been evaluated since long time ago. The importance level of these three attributes can be different for different countries/ economies and can be discussed from case-to-case basis. However, for a country like Pakistan which comes across many mishaps and turmoil the most important one is the exports. Exports can be in the form of commodities (both tangible as well as intangibles) and can also be in the form of human resource. The importance stems from the fact that exports are internal to the country and indigenous as well as guaranteeing the independence and integrity of the country. This mean also brings good reputation to the country and generates a healthy image in the international community as being a sovereign country capable of generating export products ensuring self-sufficiency as well as its HR capable of playing important part in the affairs of the world.

4.1.1.1 Exports and Imports Imbalance: -

Pakistan Bureau of Statistics reports that^{xxxii} “Net worth of Pakistan’s exports was USD 27,724 million for 2022-23. However, it is sad to see that the imports for the same period of time is USD 55,198 million. i.e nearly double that of the exports”. Thus, it is imperative that efforts may be made to change this imbalance in favor of exports from imports. i.e Exports must be increased and imports must be decreased.

4.1.1.2 A peculiar feature of the global economy: -

Scientists of economy have found, from the analysis conducted on Chinese economy that Chinese Yuan's devaluation ultimately resulted in the promotion of exports and Foreign Direct Investment which ultimately stimulated growth in the country. Exchange rates and Foreign Direct

Investment (FDI) have a link with the Gross Domestic Product (GDP). Thus, currency devaluation (as in case of the Chinese Yuan) may stimulate and spur growth in the economy by promoting exports and attracting Investments i.e FDI's.

- Devaluation of a currency occurs if the country adjusts its currency downward.
- Reduces cost of exports.
- Imports will be discouraged.
- Exports increase.
- Imports decrease.
- Trade deficit shrinks.
- Trade balance gets better.
- Similarly, FDI is attracted.

Above means that if eg. we consider trade between Pakistan and UAE and devaluation of Rupee occurs, then no one in Pakistan will import from UAE. Imports are discouraged. Oppositely, UAE will import from Pakistan as Rupee is abundantly available to them due to strong Dirham than Rupee. Similarly, FDI is attracted.

However, negative image of the country that it brings and builds in the eyes of the international and the domestic world is far from acceptable and must be avoided unless in unavoidable circumstances. Thus, this feature of the economy must not be desired in the first place. In case it happens anyhow, as in the present case of Pakistan in which the rupee has depreciated to a considerable amount and is still doing so, efforts must be directed to spur growth in exports as a positive exploitation of this peculiar feature of the economy.

4.1.2 Reaping the benefits of the Islamic System: -

Pakistan being an Islamic County and lying in the vicinity and proximity of the Islamic world should try to reap benefits of the Islamic system of economy as stated below.

4.1.2.1 Islamic System: -

It is pertinent to mention that Islamic system is not inferior and has many solutions to the problems that western system inherits.

4.1.2.2 Islamic Banking Industry in Pakistan: -

Pakistantoday says^{xxviii} In December of the year 2022, there were 22 Islamic Banking Institutions in the whole of Islamic Banking Industry. This included five full-fledged Banks while there were 17 as the conventional banks. This made for nearly 80 percent of the Islamic banking industry. These Islamic banks were Al Baraka Bank, Bank Islami, Dubai Islamic Bank, Meezan Bank and lastly MCB Islamic network. Faysal Bank, in the FY2023 became another Islamic bank and thus the number of Islamic banks increased to 6. The Islamic banking industry in Pakistan possesses nearly 20 percent of total assets in the financial sector which amounts to be a considerable figure of nearly PKR Seven trillion.

4.1.2.3 Capitalism, Socialism and Islamic Model including Zakat: -

The Islamic model of economy, at macro level, envisages to include the positivity in the capitalist as well as the socialist economic model. It minimizes negative aspects of these models and its consequences. Capitalism which is based on private assets and market-based activities, is good in allocating resources in an efficient manner. However, it intakes initial endowment resource as provided.

Socialist definition of the economic system is concerned with welfare and equity of the masses and attempts to provide benefits for the citizens from cradle to the grave. However, as it buttresses on state's ownership, administration and bureaucracy, it remains very poor when it comes to allocation of resources and creates waste, inefficiency and value diminishing and subtraction. Islamic System, as opposed to these two explained above addresses deficiencies in both the systems. It is based solidly on market mechanism and private property but at the same time it has also built in, explicitly, equity for the masses through distribution via the mechanism of compulsory Zakat deduction. i.e. transferring of payments/ equity from asset holders/owners to poor segments and deprived strata of the society. The western model of economy today has been unable to cater for the issues of poverty, unemployment, and inequities in income as per situation prevalent in the developing countries. Islamic economic model, after allocation of gains by the market, addresses the distribution issue in an explicit and society centric approach. Deduction of 2.5 % of the wealth and assets' holdings from income which is market generated and transferring it to the, sick, vulnerable, handicapped, poor and marginalized strata of the society ensures that the wealth does not remain in the hands of only the rich and the economic disparity is minimized as much as possible while maintaining a healthy market-based mechanism for wealth creation and ensuring upholding of merit.

Ishrat Hussain argues that (Ishrat, "Economy of Pakistan: past, present and future", Keynote address at the Conference on Islamization and the Pakistani Economy held at the Woodrow Wilson Center, Washington, D.C. , Jan 27, 2004), Also, the Islamic system, as compared to the conventional banks is based on the golden principles of Islam and works for the betterment of the society by refraining from indulging in illegal activities like money laundering, corruption, gambling and terror financing. For this purpose, the banking system must know and keep its eyes on the clients. Ahmad Zaki Yamani argues^{xxxiv} that Islam stresses upon giving rights to women, slaves and the deprived. Slavery came to an end slowly and gradually with the teachings of Islam and rights of all were acknowledged in the society. Islam introduced the concept of Bait-ul-Maal and the Islamic system of social security is evident from the acts of the Prophet and his predecessors who used to keep eye on the needs of the public.

4.1.3 Tax reforms: -

Creating Tax free Zones in Pakistan to attract investments and support for strategic purposes: -

The examples of different rich and prosperous countries may be evaluated and a balanced approach may be adopted. In some countries of the world the tax rate is very high eg. Scandinavia

is highly taxed region. On the other hand, the tax rate in some countries is very low or even zero. Eg Bahrain and UAE are completely tax-free countries. Further steps of enhancing tax net and reforms for the benefit of the public and state may be enforced from time to time.

4.1.4. Following Chinese Economic Model and Growth: -

Gregory C. Chow, argues that^{xxxv} the main reasons for the economic reforms of China that occurred in 1978 were the followings:

➤ The government wanted to get the support of the people and had gained the necessary expertise and experience from its past events.

➤ The Chinese people were also ready for accepting the change.

➤ China had observed the different changes that occurred in its neighborhood and in the world. The emergence of the four tigers i.e Singapore, Taiwan, Hongkong and South Korea alongside different economic conditions of South and North Korea and Eastern and Western Europe were a living example of economic progress to be learnt from.

Considering the above factors that were applicable to China to be reasons/ impetus for economic reforms of 1978, present conditions of Pakistan are also very much the same. Pakistan being a developing country of the world with close proximity with China is no different from it. Following China, we should go for following three very important approaches to be the basis of reforms and economic uplift for Pakistan. *Gregory C. Chow, further argues that:*

i. Leaders should be pragmatic and not dependent or influenced by ideological restraints. As Deng Xiaoping had said, “one should not care about the color of a cat, white or black. All that matters is that it catches mice”.

ii. No prototype is required for the economy and policies should be followed through experimentation and looking at past experiences of the country.

iii. The government and masses should be on one page in adopting the policies. Thus, this step requires the support of the public and political stability in Pakistan.

iv. China’s approach of slowly and gradually accessing the world’s economies and eventually dominating them is very effective, prudent and more secure than hostility shown by the west towards its rivals.^{xxxvi}

The above golden principles for economic uplift did wonders for the booming economy of China with further sophistication coming up from time to time and according to the specific sector of economy. Eg. agriculture sector of the Chinese economy was planned in such a way that the land was divided into smaller chunks and allocated to small farmers for their production and hard work. Competition emerged as a result. Primarily the state acquired the major agricultural output and China was more than 96 percent self-sufficient in food production for its large population in 2010. However, private exports of China to the world also benefited from the agricultural production. Similarly, the farmers were also encouraged to raise cattle and chickens etc that added to their output and income. As a whole the approach helped the small farmers that made up a significant portion of the population of China being a rising power of the world.

4.1.4.1 China and BRICS: -

One more point that supports the above idea is that of Chinese role in the BRICS club in which slowly and gradually the member states have agreed to Chinese leadership. However, it should be kept in mind that it was a necessity for a large country like China to follow such leaders as charismatic. The world has become a global village because of the advancement in communication technologies, free flow of information, rise in military power of many countries including China, and human rights activism. This has in turn increased interdependence of all countries in some way or other. The world was compelled to honor the largest population country on the globe, i.e. China, foster better relations with it and even compromise on its issues to some extent. In a nutshell, it's the world's political obligations that China exploited in a very intelligent and pragmatic manner to its benefit.

Talking about BRICS, which is getting tilted towards China as a leader which is able to address the issues that are internal as well as external. BRICS is becoming China-led. It is acceptable to all members as well, as China's Gross Domestic Production is at present more than that of all the other members combined. At the same time China's approach of slowly and gradually accessing the world's economies and eventually dominating them is very effective, prudent and more secure than hostility shown by the west towards its rivals as above.

Sergei Guriev, Professor of Economics, Sciences Po Paris; CEPR Research Fellow reports on website of World Economic Forum, (Jul 8, 2015), "Five questions about the BRICS nations" argues that New Development Bank (NDB) which is head-quartered in Shanghai depicts the increasing and strong role of the BRICS club in the global affairs. Although it's far from outperforming the existing banks, still it is going to be the very first multi-lateral bank to be fully non-OECD (Organization for Economic Co-operation and Development) bank. This is certainly conforming to the vision of Jim O'Neill about this bloc dominating the west by 2050 which will further enhance Chinese power globally. However, the change is slow and the West continues control of the global economy and the international financial institutions.

4.1.4.2 Similarities and differences between reforms adopted by China and Taiwan:-

Gregory C. Chow, argues that "Chinese economic model is based on its experience from the past and from similar countries of the world. Eg. there are certain similarities between the reforms adopted by China and that by Taiwan during their development process".

The most important one was that both economies ensured that governmental intervention should be minimized as much as possible. Private sector was encouraged more and investments from outside was the priority. However, in both China and Taiwan there were restrictions on some aspects of the society including the entry of foreign banks in China to compete with the local banks. Also, as the economy is dependent on many factors, the economic model in China is somewhat a hybrid one that caters for all socioeconomic and sociopolitical interests of the country and very rightly so. Other similarities include giving priority to agriculture sector, maintaining control on inflation by learning from the severe inflation in China that happened before 1949 (Establishment of PRC) and finally going towards promotion of exports being the driving force for rapid economic growth.

4.1.4.3 China and Shanghai Cooperation Organization: -

The SCO is not mandated to define security cooperation. Rather, it is a regional coordination body for addressing nontraditional threats to the member states, the region and the whole world^{xxxvii}. Role of China in SCO i.e Shanghai Cooperation Organization is the same as in BRICS.

4.1.4.4 Belt and Road Initiative (BRI): -

Belt and Road Initiative (BRI) of China aims at the same goal of slowly and gradually increasing Chinese power in the world and the region.

4.1.5. Centralization, P3A, No Government's role in Exchange rate of Currency and Tax

Net: -

Ishrat Hussain (Ishrat, "Economy of Pakistan: past, present and future", Keynote address at the Conference on Islamization and the Pakistani Economy held at the Woodrow Wilson Center, Washington, D.C. , Jan 27, 2004) *argues that*; Centralization is not recommended for flourishing of businesses. The government should encourage a distributed approach and be involved in an oversight or monitoring role. Public investment needs to be encouraged as the federal government's role is long lasting for reasons of different sociopolitical events that pop up in the day-to-day happenings in Pakistan. However, public private investment is the best option for Pakistan with the governments both federal and provincial facilitating the process and providing funds and policy guidelines whenever they are required. The exchange rate controlled by the government needs to be avoided up to the maximum extent possible. P3A suits Pakistan's economy well and needs to be encouraged. The role of Planning and PSDP needs to be stressed upon in this context as the development budget for the country's vital development projects are sanctioned by this organ of the state alongside short term as well as long term planning for the economy.

4.1.6 Role of specialized bodies like SIFC i.e Special Investment Facilitation

Council: -

Ease of doing business in Pakistan and for that matter in any country requires swift implementation of processes. However, the machinery of the government, the regulators and the bureaucracy can create hurdles and slow down the registration and operations of the business process. The Special Investment Facilitation Council (SIFC) of Pakistan is an encouraging step taken in the recent days by the government which encourages a swift process for facilitating investors and is mandated to increase investment in the country by taking all stakeholders onboard.

4.1.7. Youth and IT exports: -

As the situation in the world is changing every now and then, the need to invest in the youth and working professionals of Pakistan is the need of the hour. Availability of high-speed internet is a worth mentioning resource in Pakistan and with the provision of laptops to the youth, the

government has recently made a very commendable effort. It is deemed to increase the IT exports of Pakistan as the infrastructure requirements for this asset includes the minimum cost. i.e provision of laptop machines and internet connection which is very much available in the country.

4.1.8 Pakistan and the IMF: -

4.1.8.1 Public Investment Management Assessment–PIMA and Climate PIMA: -

As per IMF's website^{xxxviii} Pakistan is improving management of its public investments to support the economy and its fiscal management and to spur growth. The IMF's PIMA i.e The Public Investment Management Assessment framework along with the Climate-PIMA module is being followed in Pakistan which highlights important efforts in recent years for strengthening the investment management and the key institutions of the country. This is one of the steps being followed by the country in context of its dependence on the international donor.

As per IMF's website PIMA is a framework that provides guidelines for qualitative assessment of the public investment management using IT systems, staff capability and legal and regulatory framework. It is meant for ensuring sustainability and effectiveness of the public spendings. This is something which Pakistan needs to follow because Pakistan's economy is very much in need of loans and bilateral and trilateral investments/ donations from friendly countries and the world over which is tied to the IMF's programs. Thus, the recommendations for Pakistan are that of somewhat a hybrid model of governance and policy making with taking a holistic view of all circumstances and scenarios that play their role in the economy of the country.

4.2 Quantitative analysis: -

4.2.1 Multiple Regression results of 25 variables Sample (One country Time Series): -

➤ The model has 24 Predictors/ Independent Variables which are different Macroeconomic Indicators and one Dependent Variable which is GDP per Capita.

➤ We get the following regression equation:

$$\text{GDPPC} = \text{Constant} + \text{GNE} + \text{TLS} + \text{MVA} + \text{ROL} + \text{TGDP} + \text{MCS}$$

GDPPC= GDP Per Capita.

GNE=Gross National Expenditure.

TLS=Taxes less subsidies.

MVA= Manufacturing value added.

ROL= Rule of law.

TGDP=Trade percent of GDP.

MCS=Mobile Cellular Subscriptions.

Descriptive Statistics							
	GDPPC	GNE	TLS	MVA	ROL	TGDP	MCS
Mean	0.02893	2.91891	0.00354	0.045655	2.128396	14.0321	1.15563
Std. Deviation	0.421201	1.53212	0.021645	0.040584	0.905521	16.4213	0.935656
Obs (N).	17	17	17	17	17	17	17

Table 6: Descriptive Statistics

Table above shows the Mean and Standard Deviation values for 17 Variables (Independent and Dependent).

- 17 x Sample indicators considered by SPSS. Others rejected.
- Stepwise method followed. Constant value added in all cases.
- Significance of indicators as follows (For significant indicators $p < 0.05$)
 - i. Gross national Expenditures Constant LCU with Pearson Correlation 0.996.
 - ii. Taxes less subsidies on products with Pearson Correlation 0.727.
 - iii. Manufacturing value added constant 2015 USD with Pearson Correlation of 0.979.
 - iv. Rule of law with Pearson Correlation 0.752.
 - v. Trade percent of GDP with Pearson Correlation -0.643.
 - vi. Mobile Cellular Subscriptions per 100 people with Pearson Correlation 0.816.
- Part correlations show correlation between the dependent variable and the predictor variables independent of variance shared with the other independent variables.
- Partial correlation i.e correlation between the predictor/independent variable and dependent variable, independent of the other variables on this and on the dependent variable.

Part correlations for above indicators (last/6th model) are as follows:

- i. 0.064.
- ii. 0.052.
- iii. 0.057.
- iv. -0.016.
- v. -0.014.
- vi. -0.010.

Partial correlations for above indicators (last/6th model) are as follows:

- i. 0.988
- ii. 0.982
- iii. 0.985

- iv. -0.850
- v. -0.811
- vi. -0.712.

Zero order correlations for last/6th model same as the Pearson’s correlations.

Correlation between the indicators themselves is as follows:

- i. Between Rule and Gross national Expenditures Constant LCU is 0.766.
- ii. Between Rule and Taxes less subsidies on products is 0.517.
- iii. Between Rule and Manufacturing value added constant 2015 USD is 0.758.
- iv. Between Rule and Trade percent of GDP is -0.476.
- v. Between Rule and Mobile Cellular Subscriptions per 100 people is 0.688.

Similarly for the other indicators the Pearson’s Correlations with each other is given in the below matrix/table.

Table of Correlation							
	GDPPC	GNE	TLS	MVA	ROL	TGDP	MCS
GDPPC	1.000000						
GNE	0.996	1.000000					
TLS	0.727	-0.493	1.000000				
MVA	0.979	-0.827	0.0456	1.000000			
ROL	0.752	-0.089	-0.145	0.0498	1.000000		
TGDP	-0.643	0.1382	0.242	-0.0819	0.0209	1.000000	
MCS	0.816	-0.046	0.670	-0.4847	-0.1983	0.00111	1.000000

Table 7: Correlations

GDPPC= GDP Per Capita.

GNE=Gross National Expenditure.

TLS=Taxes less subsidies.

MVA= Manufacturing value added.

ROL= Rule of law.

TGDP=Trade percent of GDP.

MCS=Mobile Cellular Subscriptions.

Thus, the significance level is not same as the Pearson’s correlation level as there is correlation between the indicators themselves as well. “*Study shows If we increase the number of assets in a given portfolio, the common assumption is that the overall risk will reduce as it’s not possible that all will be risky. However, it will hold only if the correlation between the assets is negative or zero*”. Also, the Durbin Watson value comes out to be 1.206 for the model and thus shows positive series autocorrelation in the data. (As a rule of thumb, you can have no series correlation in the data if the Durbin Watson value is between 1.5 and 2.5). Autocorrelation can be undesirable for historical data as there is correlation and not much new information is available. However, its useful if we need to see the trend or dependence of the data indicator on its past performance. In this project its desirable as the data is historical and correlation is discussed from time to time.

The below table shows the model 6 in which SPSS has included the six predictors which are of importance to us. The upper bound and lower bound confidence intervals do not contain zero which is one of the indications of significance. Also, the Sig value is less than 0.05 for all predictors.

SPSS Model 6 containing all six IVs’ Coefficients, Stepwise Method with 95 % Confidence Interval

	Beta (Unstandardized)	Standard Error	T Value	Sig. Value
Constant	585.879	6.149	95.273	3.973 E-16
GNE	1.036 E-11	5.16 E-13	20.082	2.062 E-9
TLS	3.333 E-11	2.049 E-12	16.267	1.60 E-8
MVA	9.821 E-9	5.490 E-10	17.888	6.370 E-9
ROL	-1.162	0.227	-5.111	4.565 E-4
TGDP	-0.364	0.083	-4.378	0.001
MCS	-0.229	0.072	-3.204	0.009

Table 8: Coefficients and Regression Details

- 6 x Models formed. In the 6th model, upper bound and lower bounds given.
 - Excluded variables shown for all 6 models.
 - Histogram diagram shows a good fit to the normal curve.
 - Anova showing significance.
 - Standard error of the estimate decreasing with the increase in the model indicators.
- R value increasing till gets to nearly 1 for Model 6.

4.2.2 Profitability Index (Assumed Name)/ Ratio of Gross National Expenditure and Gross National Income: -

The above metric/ ratio of Gross National Expenditure and Gross National Income calculated from 1985 to 2022 on World Bank’s data shows values lesser than 1. This shows

that from 1986 onwards the PI has never been larger than 1. i.e We have always spent more and gained less.

4.2.3 Economic Value Added (Assumed Name) (EVA): -

Economic Value Added (EVA) has below formula:

$$\text{EVA} = \text{Project Cash Flow} - (\text{cost of capital}) * (\text{invested capital})$$

1. Implies that $\text{EVA} = \text{GNI} - \{\text{GDP Growth} * (\text{Money going into the economy})\}$
Money going into the economy can be “Sum of FDI, Exports, remittances and Aid”.

2. Implies that $\text{EVA} = \text{GNI} - \{\text{GDP Growth} * (\text{Gross National Expenditure})\}$ This gives the EVA in terms of increase or decrease in national expenditures.

Both these cases have been calculated in the excel sheets with the metric “Money going into the economy” considered for the preceding year, and “GNI” and “GDP Growth” taken for the current year. The values always come out to be negative which shows that no positive value addition to the economy occurred for Pakistan during the time period.

CHAPTER 5

CONCLUSION

5.1 Recommendations: -

5.1.1 Harnessing Diversity in Pakistan: -

All steps taken by the country should prioritize the diversity in our cultures and geographic locations. i.e Diversity in Pakistan should be harnessed and made to be strength and not weakness of the nation.

5.1.2 Maintaining the Status Co of Closed Economy: -

Geostrategic position of Pakistan, political and security concerns and strained relationships with many countries eg. India stops the state from being open to all. The same may be treated as a status co and inevitable.

5.1.3 Exports: -

For a country like Pakistan which comes across many mishaps and turmoil, the most important source of bringing in foreign exchange is exports. This mean also brings good reputation to the country and generates a healthy image in the international community as being a sovereign country capable of generating export products ensuring self-sufficiency as well as its HR capable of playing important part in the affairs of the world.

5.1.4 Exploiting the Peculiar Feature of exports growth due to devaluation: -

The peculiar feature of the economy as discussed above concerning growth in exports as a result of currency depreciation should be capitalized upon.

5.1.5 Reaping the Benefits of the Islamic System and Close Proximity with the Islamic World: -

The Islamic model of economy, at macro level, envisages to include the positivity in the capitalist as well as the socialist economic model and a hybrid model is suited for Pakistan as compared to just blindly following the Western Model of economy.

5.1.6 Tax reforms and Creating Tax free Zones in Pakistan: -

The examples of different rich and prosperous countries may be evaluated and a balanced approach may be adopted. In some countries of the world the tax rate is very high eg. Scandinavia is highly taxed region. On the other hand, the tax rate in some countries is very low or even zero. Eg Bahrain and UAE are completely tax-free countries. Further steps of enhancing tax net and

reforms for the benefit of the public and state may be enforced from time to time alongside learning from these models of the economy in these countries.

5.1.7 Following Chinese Economic Model and Growth: -

Considering the above factors that were applicable to China to be reasons/ impetus for economic reforms of 1978, present conditions of Pakistan are also very much the same. Pakistan being a developing country of the world with close proximity with China is no different from it. Following China, we should go for following their model instead of relying on the western model of economy only.

5.1.8 Exchange rate of Currency and Tax Net: -

Government's role should be minimum and just advisory as discussed in detail in the previous/above chapters.

5.1.9 Specialized bodies like Special Investment Facilitation Council (SIFC): -

Ease of doing business in Pakistan and for that matter in any country requires swift implementation of processes. However, the machinery of the government, the regulators and the bureaucracy can create hurdles and slow down the registration and operations of the business process. The Special Investment Facilitation Council (SIFC) of Pakistan is an encouraging step taken in the recent days by the government which encourages a swift process for facilitating investors and is mandated to increase investment in the country.

5.1.10 Information Technology and the Youth of Pakistan: -

As the situation in the world is changing every now and then the need to invest in the youth and working professionals of Pakistan is the need of the hour. Availability of high-speed internet is a worth mentioning resource in Pakistan and with the provision of laptops to the youth, the government has recently made a very commendable effort and should be funded more and more.

5.1.11 Pakistan and the International Monetary Fund (IMF): -

The International Monetary Fund (IMF) is something which Pakistan needs because Pakistan's economy is very much in need of loans and bilateral and trilateral investments/ donations from friendly countries and the world over which is tied to the IMF's programs. As the west is dominating the financial system of the world, Pakistan's leverage is low in terms of making independent decisions. However, again the historical background of relation with the IMF needs to be learnt from. Pakistan, being a sovereign country needs to take a holistic approach in dealing with all these factors as outlined in the above discussions involving different things so as to safeguard its integrity and economic targets.

5.1.12 Recommendations in light of the Quantitative results: -

The quantitative results show the following 6 Macroeconomic Indicators selected by SPSS for the dependent variable GDP Per Capita in order of preference.

- i. Gross National Expenditure.
- ii. Taxes less subsidies.
- iii. Manufacturing value added.
- iv. Rule of law.
- v. Trade percent of GDP.
- vi. Mobile Cellular Subscriptions.

Thus, we observe that the economy of Pakistan unfortunately is very closed and lagging behind in attracting FDI or foreign investments to get circulated in the economy. i.e the most important predictor out the selected ones is the Gross National Expenditure and Taxes themselves. Thus, alongside the qualitative recommendations of keeping the economy closed due to different concerns and make the money move within the economy as in the case of the first two predictors above (Just Like Kairetsu and Zaibetsu), innovation may also be sought in different sectors for primarily bringing in a good reputation to the country that will ultimately help in FDI and meeting other concerns of the county globally.

5.2 Limitations of the research: -

Although considerable efforts have been put in to analyze the economy of Pakistan and give recommendations for a brighter future, further efforts can be made to employ other mathematical transforms/ simulations to get better insight into the situation. As data about the economy is available on the web, the research process can be multifaceted and multidimensional if any new approach is utilized. However, the important thing to keep in mind is that as economy is the most important concern for Pakistan just like any country in the world, the end results should be a guiding light for betterment and based on ground realities instead of just dreams and apprehensions.

5.3 Conclusion: -

This research is based on the objective to better understand the past event concerning economy of Pakistan, critically analyze the current situation in context of experiences of other countries of the world and finalize recommendations for better results in future for the economy which has been a burning issue for Pakistan since its downturn from late 1980's. The results contain a holistic approach to the situation taking into account as much of the factors as possible both qualitatively as well as quantitatively.

References

- ⁱ *Pakistan Economic Survey 2020-21, Ministry of Finance, government of Pakistan.* https://www.finance.gov.pk/survey/chapters_21/Overview.pdf
- ⁱⁱ *Hussain Ishrat, Economy of Pakistan: past, present and future*, Jan 27, 2004 “Keynote address at the Conference on Islamization and the Pakistani Economy held at the Woodrow Wilson Center, Washington, D.C.
- ⁱⁱⁱ *Nazir, Sidra and Qayyum, Abdul Pakistan Institute of Development Economics, Islamabad 2014, Impact of Oil Price and Shocks on Economic Growth of Pakistan: Multivariate Analysis.*
- ^{iv} *World Bank’s Macroeconomic Indicators for Pakistan*, <https://www.worldbank.org/en/country/pakistan/overview>.
- ^v *Hussain Ishrat, Economic Highs and Lows of Pakistan: 70 Years of Development: The way forward. Sustainable Development Policy Institute (2019)*
- ^{vi} *Hafiz A. Pasha, Friedrich Ebert Stiftung, March 2023, Leading issues in the economy of Pakistan.*
- ^{vii} *“The World Bank in Pakistan”*, Oct 04, 2023, World Bank report/ article, World Bank’s website, <https://www.worldbank.org/en/country/pakistan/overview>.
- ^{viii} *“Kristian Rosbach and Lilia Aleksanyan “Why Pakistan’s Economic Growth Continues to be Balance-of-Payments Constrained” December 2019, Asian Development Bank’s Central and West Asia Working Papers.*
- ^{ix} *Afgun Ayesha, Insight Report “Imports and Exports of Pakistan – Need to Explore New Markets” Institute for Strategic Studies, Research and Analysis (2022).*
- ^x *Pakistan Bureau of Statistics, “Exports & Imports of Pakistan, 1985 to 2023”*, pbs.gov.pk.
- ^{xi} *O’Neill Aaron, “Gross domestic product (GDP) per capita in Pakistan 2023”*, Nov 17, 2023, www.statista.com
- ^{xii} *Food and Agriculture Organization of the United Nations, FAO, 2024 “Pakistan at a Glance”.*
- ^{xiii} *Rauf Omer, Wang Shujie, Yuan Peng , Tan Junzhe, “An overview of energy status and development in Pakistan” Renewable and Sustainable Energy Reviews Volume 48, Elsevier, August 2015, Pages 892-931.*
- ^{xiv} *Business Recorder Web Desk, August 22, 2023, “Pakistan’s power generation up nearly 5% year-on-year”.*

-
- ^{xv} Competition Commission of Pakistan (2018), “*Competition Assessment of the Road Construction Sector in Pakistan*”.
- ^{xvi} Government of Pakistan, Ministry of Finance. 2014. “*Pakistan Economic Survey 2013-14. Islamabad*”.
- ^{xvii} Stockholm International Peace Research Institute (SIPRI), Arms Transfers Programme, *Arms exports (SIPRI trend indicator values) – Pakistan, (2021)*.
- ^{xviii} Dr. Hussain Shah, Syed Akhtar, “*Strategy for Mineral Sector Development in Pakistan*”. (2018) Planning Commission of Pakistan, Ministry of Planning, Development & Reforms, Government of Pakistan.
- ^{xix} Robert E. Looney, Naval Postgraduate School, Monterey, California 93943, USA, (1998) “*Telecommunications policy in Pakistan*”.
- ^{xx} Pakistan Telcom Authority, (2023), “*Mobile Tele density in Pakistan*”. www.pta.gov.pk/en/telecom-indicators
- ^{xxi} A. Pasha, Hafiz, Friedrich Ebert Stiftung, (March 2023), “*Leading issues in the economy of Pakistan*”.
- ^{xxii} Afgun Ayesha, Research Associate, (November, 2022), “*INSIGHT-Imports-and-Exports-of-Pakistan-Need-to-Explore-New-Markets*”, <https://www.ndu.edu.pk/>
- ^{xxiii} Reuters World, August 22, 2023. “*What is BRICS, which countries want to join and why?*”? <https://www.reuters.com/world/what-is-brics-who-are-its-members-2023-08-21/>
- ^{xxiv} Dr Suleri, Abid Qaiyum, October 26, 2023, Opinion on, “*The Belt and Road Forum vision*”.
- ^{xxv} Amin, Babar, Ambassador, Former High Commissioner to Australia, Norway, & Pakistan’s First National Coordinator to SCO, Special Guest Articles (June 23, 2023) “*The Expanding Role of SCO: Strengthening Pakistan's Regional Integration*”.
- ^{xxvi} Husain Ishrat, (2019) “*Economic Highs and Lows of Pakistan: Analysing the Last 70 Years: The Way Forward*”.
- ^{xxvii} Mahmood Khalid, Pakistan Institute of Development Economics (PIDE), discourse (2023), “*Fiscal management in Pakistan: The way forward*”.
- ^{xxviii} Radelet Steven, Simon & Schuster (November 22, 2016), “*The Great Surge: The Ascent of the Developing World*”.
- ^{xxix} Hussain Ishrat, Institute of Business Administration (IBA), “*Pakistan and Indian Economies Compared*”.

^{xxx} Jain Raj, (April 1991), *“The Art of Computer Systems Performance Analysis: Techniques for Experimental Design, Measurement, Simulation, and Modelling”*, Wiley- Interscience, New York, NY.

^{xxx}_i Middle East and Central Asia Dept, International Monetary Fund (IMF), *“Pakistan: Selected Issues”* (04 Feb 2022). <https://www.elibrary.imf.org/view/journals/002/2022/027/article-A006-en.xml>

^{xxx}_{ii} Pakistan Bureau of Statistics, *“Exports and Imports of Pakistan (1985 to 2023)”*, <https://www.pbs.gov.pk/sites/default/files/tables/trade/14.08.pdf>

^{xxx}_{iii} Umar Farooq, Mariam, (August 14, 2023), Pakistan today, *“The Islamic banking boom in Pakistan”*.

^{xxx}_{iv} Zaki Yamani Ahmad, Islamic Studies, Vol. 41, No. 1 (Spring 2002), *“Social Justice in Islam”*. <https://www.jstor.org/stable/20837162>

^{xxx}_v Gregory C. Chow, Australian National University Press, (2018), *“China’s economic transformation, China’s 40 Years of Reform and Development”*.

^{xxx}_{vi} Sergei Guriev, Professor of Economics, Sciences Po Paris; CEPR Research Fellow; World Economic Forum, (Jul 8, 2015), *“Five questions about the BRICS nations”*.

^{xxx}_{vii} Reuters, (February 23, 2022), *“Pakistan-Russia collaboration on gas pipeline project”*. <https://www.reuters.com/business/energy/pakistan-russia-collaboration-gas-pipeline-project-2022-02-23/>

^{xxx}_{viii} IMF Staff Country Reports Pakistan: (November 17, 2023), *“Technical Assistance Report– Public Investment Management Assessment–PIMA and Climate PIMA”*.