

# PAKISTAN

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## Country Analysis Report

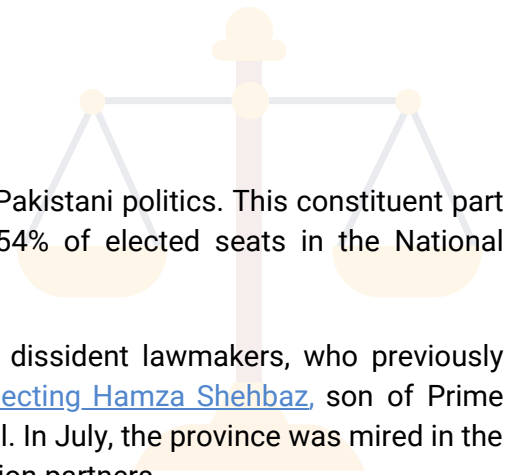
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Accountability Lab Pakistan is actively involved in examining various indicators of social, political, and economic development in Pakistan to analyze the impact of policy actions and highlight challenges concerning each sector. The Country Report for the month of July 2022 gives an overview of the developments in different sectors like security, governance and the rule of law amid current political uncertainty and economic crisis. The document also focuses on the progress in terms of human rights including the rights of minorities, women, and children in Pakistan. The report examines the existing progress across a range of development indicators to promote citizen awareness for a socially connected, economically stable, and politically accountable Pakistan.



## Political Section

Punjab is undeniably the heartland of Pakistani politics. This constituent part of the federation contributes up to 54% of elected seats in the National Assembly.



The by-elections were held after [court orders](#) to replace the dissident lawmakers, who previously evicted from Imran Khan's Pakistan Tehrik-e-Insaf (PTI) by [electing Hamza Shehbaz](#), son of Prime Minister Shehbaz Sharif, as Punjab's Chief Minister back in April. In July, the province was mired in the power struggle between the two biggest parties and their coalition partners.

In the much-anticipated by-elections on July 17th, the PTI surprised its opponents with a decisive victory, winning [15 provincial seats](#). Meanwhile, the Pakistan Muslim League Nawaz (PML-N), for whom Punjab is their "[political citadel](#)," stood second in this race and bagged only [four seats](#).

Despite ruling in the center, the results of the by-elections exposed the [weakening position](#) of PML-N in its historical stronghold. Unlike the traditional hue and cry about rigging as a general practice in Pakistani politics, the PML-N's Vice President, Maryam Nawaz, conceded defeat and [congratulated](#) the victorious PTI, urging her party workers to accept the defeat graciously.

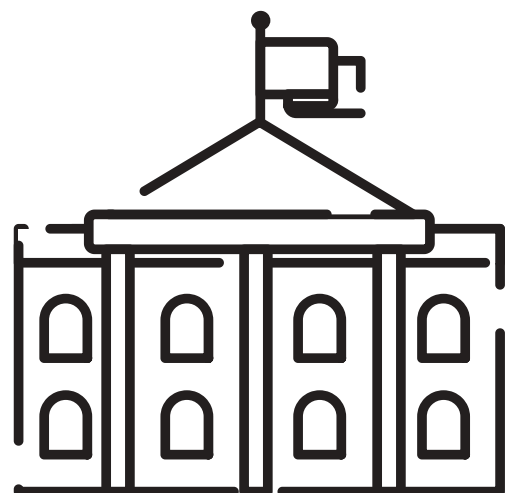
Following by-elections, in line with the Lahore High Court (LHC) orders of June 30th, elections for Chief Minister Punjab were held on July 17th. With 15 more seats, PTI and its allied party Pakistan Muslim League (Q) (PML-Q), gained a majority in the provincial assembly with 186 seats against 179 of PML-N and its coalition partners. However, despite a clear majority of votes by PTI's candidate, the deputy speaker [controversially declared](#) the candidate of PML-N and its allies as the province's Chief Minister.

[PTI and PML-Q challenged](#) the Deputy Speaker's ruling in the supreme court. Eventually, the supreme court [rejected the deputy speaker's illegal ruling and declared Elahi](#) the Chief Minister of Punjab. The PTI's win in Punjab is crucial as Punjab is the country's political center of gravity besides being the most populated and largest province.

On various occasions, Chairman PTI, Imran Khan, showed [distrust](#) over the Chief Election Commissioner (ECP) on the pretext of many controversial decisions issued by ECP in favor of PML-N and the allies. On July 18th, PTI Chairman Imran Khan renewed his call [for fresh general elections](#).

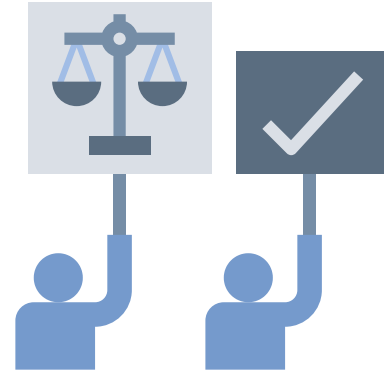
In his [tweet](#), he stated that "the only way forward from here is to hold free and fair elections under a credible ECP... Any other path will only lead to greater political uncertainty & further chaos."

The coalition government led by PML-N is already facing a range of challenges, including [record inflation](#), economic crisis, and continuous political uncertainty, compounded by losing Punjab as its bastion of support. [Experts believe](#) that the government may also go for early elections.





## Economic Updates and Developments



With the [rise](#) in global interest rates and inflation, the economic situation in Pakistan is worsening. According to a [report by Bloomberg](#), Pakistan's bond yielding has hit a record 40 percent which shows the situation to be growing to a distressing level. This happens against the government's recent efforts to secure a bailout package from the International Monetary Fund (IMF) to cover this year's imports and pay its debt obligations, which amount to \$41 billion. However, despite the [bold claims](#) by Finance Minister Miftah Ismael that Pakistan will not default on international loans, the currency has shown a drastic [decline of 10 percent](#) in the last two weeks of July.

On July 27th, the State Bank of Pakistan (SBP) reported that the Pakistani Rupee had hit its lowest at [Rs 237 against U.S. Dollar](#) in the interbank market. The Rupee's free fall has compounded the total debt by around [Rs 6 Trillion](#) under the incumbent coalition government.

To address the volatility of Rupee-Dollar parity, the SBP has also [raised the interest rate](#) to a record high of 15%. According to the government, SBP will curb soaring inflation and support the Pakistani Rupee against U.S. Dollar.

Such volatile rupee-dollar parity is also playing havoc with Pakistan's economy. Frustrated by the currency depreciation and skyrocketing inflation, the [business community fears](#) the closure of businesses given as of July 15th. [Suleman Chawla](#), Acting President of the Federation of Pakistan Chamber of Commerce and Industry (FPCCI), said, "The situation is so grave and mismanaged that many industrial units are on the verge of closure or will be paying penalties for not being able to meet their production schedules and export deadlines."

The FPCCI President has [urged the government](#) to stabilize the rupee-dollar parity and restore investors' confidence. Some of the leading companies have already indicated shutting down in the country. [Toyota and Suzuki](#), the two leading automobile assemblers in Pakistan, announced a plan to partially shut down their output in Pakistan from the following month due to the [shortage of raw materials](#) amidst import restrictions and exchange rate volatility.

The worsening economic situation has also hit e-commerce and startups in the country. On July 12th, Pakistan's highest-valued Lahore-based startup [Airlift](#) announced its permanent shut down. The three-year-old startup was flying high less than a year ago with a total accumulation of around [\\$85 million](#), more than any other startup in Pakistan. [Jovi](#), a food delivery service in Pakistan, shut down temporarily for similar reasons.

To avoid a further dip in the reserves, the [SBP has restricted](#) the outflow of dollars. This is only part of the various capital control measures the SBP has undertaken to avert a prospected default-like situation in a country that awaits a [tranche of \\$1.12 billion](#) from the IMF. On July 13th, The IMF announced in a [statement](#) that the team had reached a staff-level agreement with Pakistan, paving the way for the release of \$1.12 billion. Additionally, the statement indicated that this extended fund facility could be further [extended up to \\$7 billion](#) by June 2023.

On the other hand, despite the surge in global oil prices and depleting foreign reserves, Pakistan's [oil imports](#) have increased to a record high of [1.12 million tons](#) of crude oil imports, a [46.78 percent increase from June](#).

## Security and Rule of Law



The Pakistani military provided the [third-tier security](#) to the by-elections conducted on July 17th in Punjab. The statement issued by Inter-Services Public Relations (ISPR) stated that the Army Chief was briefed on the army's role in assisting [free, fair, and transparent](#) elections.

The elections were conducted peacefully, but the developments that followed produced tough legal questions about the elections of the Punjab Chief Minister. The Supreme Court nullified Hamza Shebaz's election as CM and declared the election of Pervez Elahi as the CM of Punjab legitimate. Although the coalition of political parties criticized the move, it has decisively reinforced the rule of law.

On July 17th, the England and Wales Cricket Board (ECB) security delegation visited match venues in Pakistan and declared the security arrangements made by Pakistan as [satisfactory](#). The English team will play two test matches and seven T-20s in Pakistan. In September last year, the English team, together with New Zealand, [called off their visits](#) due to the unfavorable security situation in the country.

While the military operations have reduced the threat of the Taliban, the security situation in Northwest Pakistan is still volatile. In separate incidents, [three police officials](#) were killed when unidentified men ambushed a police mobile on the outskirts of Peshawar. In Quetta, the Army Officer, [Lt. Col. Laeeq Baig Mirza](#), was killed by his kidnappers before his comrades could rescue him on July 14th. The Baluchistan Liberation Army (BLA), a terrorist group operating in Baluchistan province, claimed responsibility for the kidnapping and killing of the officer.

China-Pakistan security cooperation continues as the two countries have recently concluded their joint naval exercises "[Sea Guardians-2](#)" off the Shanghai coast. Chinese Defense Ministry spokesperson [Wu Qian stated](#) that the joint exercise has consolidated the traditional friendship between the two countries and the two militaries and enhanced the ability of the two navies to deal with maritime security threats jointly.

## Social Sector indicators and developments



The monsoon session has overshadowed the weather pattern in Pakistan. The [copious rains](#) in the country's economic hub have left the city with suspended businesses, flooding, and infrastructure damage. The death toll has topped **350**, with more than **8,000** damaged houses.

This is a causal effect of climate change resulting in unpredictable weather patterns and a lack of government commitment to the cause.

The revelation of Pakistan as an [importer of waste](#) shocked the [Senate Standing Committee on Climate Change](#), as friendly countries were reported to have dumped their garbage in Pakistan. The United States, Iran, Saudi Arabia, and Canada are among the top waste contributors in the country.

This includes some of the ardent proponents of the fight against climate change. Meanwhile, the government has drafted its first policy on [National Hazardous Waste Management Policy, 2022](#), which was approved by the federal cabinet last month.

The Minister for National Health Services, Abdul Qadir Patel, [suspended](#) the top management of the Pakistan Institute of Medical Sciences (PIMS) because of the mismanagement of three pregnant women in maternity wards. Dr. Masood, the hospital director, stated the minister [does not have the authority](#) to suspend him according to the Medical Teaching Institution Act (MTI).

After a brief hiatus of a few months, COVID-19 seems to have returned with a gentle pace. Due to the rise in the temperature, the [Senate Panel has urged](#) the Ministry of Federal Education has issue a notification asking the schools to observe summer vacations in educational institutions in Islamabad from [July 1st instead of July 18th](#).

With signs of the COVID-19 pandemic rising on the horizon, the government needs a careful review of its priorities and should allocate more funds for the health sector to ensure the health and safety of its citizens.

The European Union (E.U.) and United Nations Children's Fund (UNICEF) have launched an initiative called '[Balochistan Education Support \(BES\) II](#)'. BES II is a [five-year development program](#) to support the government of Balochistan in improving the rate of literacy and numeracy skills for people in the province. Around 200 women from Khyber Pakhtunkhwa completed [the 'English works!' program](#) supported by the U.S. Embassy and hosted by the Shaheed Benazir Bhutto Women University (SBBW).

To improve the ratio of school-going children in Khyber Pakhtunkhwa, the district of Khyber Pakhtunkhwa launched a [school enrollment campaign](#) to enroll out-of-school children in public schools. The program was to improve their English language and digital skills and open venues for students with limited means. Such initiatives are encouraging as according to the [United Nations Children's Emergency Fund \(UNICEF\)](#), Pakistan ranks second highest with 22.8 million out-of-school children.

July 12th was observed as [Malala Day](#) by the United Nations to celebrate the Pakistani female education activist. The United Nations Refugee Agency honored the youngest Nobel laureate for advocating and championing the rights of displaced girls worldwide.



## Human Rights

On July 8th, a [report](#) published by World Bank supported legal reforms to increase women's workforce participation. The W.B.'s [Securing Human Investment to Foster Transformation \(SHIFT\) program](#) seeks to support ten basic laws in the provincial assemblies that will improve the rights and conditions of home-based workers (HBWs), whose participation is significantly constrained.

Several harassment and rape cases were reported during July. In a shocking incident on July 17th, an American Vlogger visiting Pakistan was ["gang-raped"](#) by the travel guide in a hotel in Dera Ghazi Khan. While the [police have arrested the perpetrators](#), the incident has affected Pakistan's image as a safe country for foreign nationals, particularly women. In another case of harassment, [footage](#) has surfaced where an unidentified man in Islamabad groped a Burqa-clad woman. The incident shows the impunity enjoyed by the perpetrators in committing such crimes. Senior Journalist [Hamid Mir](#) replied to the tweeted footage saying the "incident is a challenge for all men to find the culprit, punish him, and make him a lesson for others."

On July 29th, in her [address](#) to the opening ceremony of Commonwealth Games 2022, Malala Yousafzai said, "I will continue to work for the rights of girls in Pakistan." Meanwhile, on July 27th, a [National Conference on Girls' Right to Education](#) was organized by [Awaz CDS Pakistan](#), where experts stressed the importance of female education.

Given the rising trends of child abuse in K.P.'s Swat district, the elected representatives have [launched a massive campaign](#), calling it a 'jihad.' It was decided at a [village council meeting](#) that also fixed fines and strict punishment for the perpetrators. Child abuse is among the least reported crimes in Pakistan. In the [Child Protection and Digital Safety Dialogue](#) organized by Zindagi Trust and Meta (Facebook), D.G. Federal Investigation Agency Muhammad Tahir revealed that [only 343 cases had been reported](#) despite millions of images of child abuse on Facebook.

As a [general trend](#), the religious minorities in Pakistan face legal, political, and social challenges. While the law under [Article 295-C](#) punishes offenders of blasphemy against the Prophet Muhammad (SAW) to death, the law has historically been misused for [vested interests](#). On July 4th, the Lahore High Court (LHC) sentenced Ashfaq Masih, a Christian mechanic, to death for allegedly committing blasphemy in 2017.

In this case, the accused also [claims](#) that he is innocent and that the case against him is false. He [added](#) that Muhammad Irfan, the accuser, had refused to pay Ashfaq 40 rupees for the work done and accused him of blasphemy.

In another incident, a Hindu girl Shrimati Kareena was abducted in Sindh province. While the [police claim](#) that she has eloped with her lover and married in Karachi court, the Hindu community has been outraged by the incident.

On July 12th, members of the Hindu community [protested](#) in front of the Zardari House in Nawabshah. However, the [trend](#) of abductions, conversions, marriages, and even killings is rampant in the Sindh province.

According to the Canada-based [International Forum for Rights and Security \(IFFRS\)](#), mixing state and religion has created a dangerous cocktail for the country's minorities, who are arbitrarily booked and sentenced under blasphemy laws. However, on July 27th, Pakistani-origin Canadian MP Sameer Zubairi, in his meeting with Pakistani journalists in Karachi, rejected the notion and [termed Pakistan' safe'](#) for minorities.



## Foreign Relations

In July, Pakistan's foreign policy and diplomatic efforts centered chiefly on trade and regional cooperation. Amidst the prevailing tensions between Pakistan and India, former diplomats from both countries have [urged](#) their respective governments to resume dialogue and settle their differences.

According to [experts](#), both countries are nuclear power, and there is a need to resolve differences through dialogue. They highlight that both countries depend on each other for stability and economic growth. Recent [news reports](#) have proved that Indo-Pak trade has almost doubled despite the trade ban between the two countries. However, given the two countries' arch-rival nature, their hostility in Kashmir continues.

Responding to the [statement](#) against China–Pakistan Economic Corridor (CPEC) made by the Indian minister, Pakistan's Foreign Office termed it [provocative and unacceptable](#).

China and Pakistan will hold their [11th Joint Coordination Committee \(JCC\)](#) meeting on CPEC. Power projects of 3144 MW, participation of third parties and the [extension](#) of CPEC to Afghanistan are among the main [themes](#) of the meeting. Additionally, to help the ailing economy, Pakistan and China will soon [deal](#) in their respective currencies, the Renminbi (RMB) and Pakistani Rupees (PKR). Discussions regarding the matter are underway and will be finalized.

China-Pakistan security cooperation continues as the two countries have recently concluded their joint naval exercises "[Sea Guardians-2](#)" off the Shanghai coast. Chinese Defense Ministry spokesperson [Wu Qian](#) shared that the joint exercise has consolidated the traditional friendship between the two countries and the two militaries, enhancing the two navies' ability to deal with maritime security threats jointly."

A delegation of prominent religious clergy from Pakistan has recently [visited](#) Kabul to discuss a range of issues with Tehreek-i-Taliban Pakistan (TTP) upon the Afghan Taliban's invitation. However, no positive development has yet occurred due to Islamabad's [refusal](#) of TTP demands.

The two countries decided to [launch](#) a luxury bus service by the end of August and to increase operational timings at all crossing points for increased economic activity. Afghanistan and Pakistan will [also trade](#) in the Pak rupee to develop cordial relations and strengthen their economic ties. Similarly, Islamabad and Tehran will boost their trade and energy collaboration.

Foreign ministers of the two countries realize the trade volume of Pak-Iran and its potential. In a meeting with the head of the Islamic Republic News Agency (IRNA), Pakistan's ambassador to Iran, Rahim Hayat Qureshi, [urged](#) the governments to deepen their ties and extend it to cultural collaboration.

Imran Khan's conspiracy claims were termed [very disturbing](#) by an official of the U.S. State Department. However, the official looks forward to rebuilding a strong relationship with Pakistan that he called a meaningful partnership.

Pakistan's Minister for Planning Development and Special Initiatives, Ahsan Iqbal, stated that it's time to [reset](#) U.S-Pak relations in economic and development spheres.

The U.S. has also [accounted](#) for Pakistan's effort in abating human trafficking and has upgraded Pakistan to Tier 2, which consists of countries that do not fully observe the requirements. However, they do make notable efforts to curb human trafficking.

Pakistan has also been [removed](#) from the list of countries allowing child soldiers to be recruited. Pakistan was previously placed on Child Soldiers Prevention List (CSPA) in 2021 for equipping non-state armed groups with material support who recruit child soldiers.



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