

# COUNTRY ANALYSIS

REPORT



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# Executive Summary

The report examines the complex state of democracy and economic challenges in Pakistan, underscoring the need for significant reform and strategic planning. Pakistan's democratic system, while constitutionally established with regular elections and an independent judiciary, faces substantial hurdles. The military's enduring influence over civilian governance has led to a "controlled democracy," where elected officials operate under the shadow of military power. Recent legislation, such as the Peaceful Assembly and Public Order Bill 2024, exemplifies this struggle by imposing severe restrictions on protests and curtailing citizens' rights to assembly. Critics argue that this law serves to stifle dissent rather than maintain order, raising concerns about the erosion of democratic freedoms.

Electoral integrity is another critical issue, with widespread allegations of rigging and manipulation during elections, notably the controversial 2018 general elections. These concerns have fostered public disillusionment with the electoral process, particularly among marginalized groups who face systemic barriers to participation. Civil society organizations and media, vital for accountability, are increasingly threatened by government regulations that limit their activities. Journalists operate in an environment of fear and censorship, undermining press freedom and eroding public trust in democratic institutions.

Economically, Pakistan grapples with a deepening debt crisis, with domestic debt soaring to Rs69.6 trillion. The government's reliance on borrowing consumes almost all tax revenue for debt servicing, stifling economic growth. The electricity sector faces a severe crisis due to skyrocketing capacity payments, which have risen dramatically over recent years. Additionally, geopolitical instability, particularly from the Russian-Ukraine conflict, has exacerbated economic challenges by driving up fuel prices and inflation. Socially, Pakistan faces significant issues in education and nutrition. The educational system reveals stark disparities between elite institutions and public schools, perpetuating cycles of inequality. Furthermore, a substantial portion of women suffers from anemia due to inadequate maternal nutrition, highlighting urgent health concerns that require comprehensive reform.

Pakistan's democracy is at a critical juncture requiring concerted efforts from all stakeholders—government, civil society, and media—to strengthen democratic institutions and ensure effective governance. Addressing economic vulnerabilities through strategic reforms and fostering social equity will be crucial for building a resilient future for Pakistan. The journey toward a more democratic and economically stable nation is challenging but essential for its progress and stability.

# POLITICAL UPDATES

## **Democracy's Tightrope and Pakistan's Political Theatre:**

On the International Day of Democracy, it is vital to reflect on the complex and multifaceted state of democracy in Pakistan. With a turbulent political history and ongoing struggles with governance, Pakistan's democratic system presents a paradoxical reality—one where democratic institutions exist, yet the essence of true democracy remains elusive. This critical analysis seeks to delve into the core aspects of Pakistan's democracy, assessing the challenges it faces and offering an informed judgment on its current trajectory.

Pakistan's political system is constitutionally democratic, with regular elections, an independent judiciary, and a free press—key pillars of any democratic state. Yet, the functionality and integrity of these institutions are often questioned.

The country has experienced multiple military coups, and the military continues to wield considerable influence over civilian governance, often leading to a democratic deficit. This power dynamic between civilian governments and the military has resulted in a form of "controlled democracy," where elected representatives often operate under the shadow of unelected power brokers.

The erosion of civilian authority is evident. The recent passing of the "Peaceful Assembly and Public Order Bill 2024" by the Senate Standing Committee on Interior highlights this issue. The bill restricts protests and rallies within Islamabad to designated areas approved by the government, essentially curbing the right to peaceful assembly. While proponents argue that the bill aims to prevent disruptions and ensure public order, critics view it as a tool for stifling dissent and limiting political expression—a fundamental tenet of democracy.

## **The Peaceful Assembly and Public Order Bill 2024: A Step Towards Order or Control:**

The approval of the Peaceful Assembly and Public Order Bill 2024 highlights the delicate balance between maintaining public order and upholding democratic freedoms. The bill restricts protests to designated areas like the Sangjani interchange or other government-approved sites within Islamabad, imposing strict penalties for non-compliance, including up to three years in prison.

This legislation came under intense scrutiny following the arrest of several PTI MNAs after their rally at the Sangjani interchange, raising concerns over the government's use of the law to suppress political dissent. Critics argue that while the bill aims to ensure public order, it also risks curtailing citizens' right to peaceful assembly, a cornerstone of democratic expression.

Supporters of the bill, like Senator Saleem Mandviwalla, argue that the bill provides a necessary legal framework for peaceful protests, reducing the likelihood of disruptions that have previously paralyzed the capital. However, this argument overlooks the broader implications for democratic engagement. By confining protests to designated areas, the bill could effectively neutralize the impact of public demonstrations, making it easier for the government to control and, by extension, ignore dissent.

## **Electoral Integrity and Political Participation:**

Another critical aspect of Pakistan's democracy is the integrity of its electoral process. While elections are held regularly, concerns about electoral rigging, voter suppression, and the influence of money and power in politics are rampant. The 2018 general elections were marred by allegations of rigging and manipulation, with opposition parties accusing the military of meddling to ensure a favorable outcome.

These allegations, whether substantiated or not, have eroded public trust in the electoral process, leading to disillusionment and apathy among voters.

Moreover, political participation in Pakistan is often hindered by systemic barriers that disproportionately affect marginalized groups, including women, minorities, and the poor. The lack of effective political representation for these groups further weakens the democratic fabric, as their voices are often excluded from the decision-making process. Initiatives to improve voter registration and participation have been undertaken, but the deep-seated socio-economic and cultural barriers remain formidable obstacles.

Civil society organizations (CSOs) and the media play a vital role in strengthening democracy by holding the government accountable and advocating for the rights of citizens. However, in Pakistan, these institutions are increasingly under threat. The government has introduced a series of regulations that curtail the activities of CSOs, particularly those that engage in human rights advocacy or receive foreign funding. This has led to a shrinking space for civil society, with many organizations facing harassment, intimidation, and even closure.

The media, often referred to as the fourth pillar of democracy, also faces significant challenges. While Pakistan boasts a vibrant and diverse media landscape, journalists operate in an environment of fear and censorship. The arrest of prominent journalists, restrictions on media coverage, and the blocking of news channels critical of the government are just some examples of the increasing pressure on the media. This stifling of press freedom not only undermines the public's right to information but also erodes the checks and balances essential for a functioning democracy.

Effective governance and accountability are cornerstones of democracy, yet in Pakistan, these remain areas of significant concern. Corruption is rampant, with Transparency International ranking Pakistan 140th out of 180 countries in its 2023 [Corruption Perceptions Index](#). The lack of transparency and accountability in government operations has led to widespread public disillusionment and a loss of faith in democratic institutions.



Picture Source: Getty Images

The judiciary, which is supposed to act as a guardian of the constitution and a check on executive power, is often perceived to be influenced by political considerations. High-profile cases of judicial activism have led to accusations of bias, further eroding public trust in the judiciary's impartiality.

Moreover, the lack of accountability within political parties themselves is a major issue. Party leadership is often hereditary, with political dynasties dominating the landscape.

This has led to a concentration of power in the hands of a few, with little room for internal democracy or the emergence of new leadership.

The ongoing threat of terrorism has also had a profound impact on Pakistan's democracy. The state's focus on security has often come at the expense of civil liberties and democratic freedoms.

The resurgence of terrorist activities, particularly from groups like the Tehreek-e-Taliban Pakistan (TTP), has led to a militarization of governance, where security concerns often override democratic considerations. The interior minister's revelations about the involvement of individuals released under previous peace agreements in recent terrorist activities underscore the complexities of balancing security and democracy.

The government's approach to counterterrorism, while necessary, has often involved measures that restrict civil liberties, such as the use of military courts for civilians and the expansion of surveillance. These measures, while aimed at protecting the state, risk undermining the democratic rights of citizens and contribute to a climate of fear and repression. Pakistan's democracy is at a crossroads. The existence of democratic institutions alone does not guarantee the health of democracy; it is the functioning and integrity of these institutions that matter.



Picture Source: Getty Images

[The Peaceful Assembly and Public Order Bill 2024](#) is emblematic of the broader challenges facing Pakistan's democracy, where the balance between order and freedom is constantly contested. For democracy to thrive in Pakistan, there must be a concerted effort to strengthen democratic institutions, ensure electoral integrity, protect civil liberties, and enhance political participation.

This requires not only the commitment of the government but also the active engagement of civil society, the media, and the public. The future of democracy in Pakistan depends on the ability of these stakeholders to work together to build a more inclusive, accountable, and resilient democratic system.

As we observe the International Day of Democracy, it is essential to recognize that democracy in Pakistan is a work in progress—fraught with challenges, yet full of potential. The journey towards a more democratic Pakistan will be long and arduous, but it is a journey worth undertaking for the sake of the country's future.

## ECONOMIC OUTLOOK

### **New Policy Board Aims to Transform Pakistan's Economic Planning:**

The creation of Pakistan's [new high-level policy board](#), chaired by Minister Ahsan Iqbal, is being

presented as a potential game-changer for economic planning, but a deeper analysis raises important questions. While this initiative aims to

bridge the gap between policy formulation and real-world economic challenges by incorporating insights from private sector leaders like Musadaq Zulqarnain and academics such as Dr. Rana Iqar, it is essential to examine this development within the broader historical context of similar attempts in Pakistan.

Pakistan's economic trajectory is marked by erratic growth and short-term policy shifts. Numerous initiatives in the past have sought to establish a sustainable framework for economic growth. For instance, Vision 2025, which was launched under the same leadership of Ahsan Iqbal, aimed to transform Pakistan into a top 25 global economy by 2025 through strategic economic planning and reforms. However, this vision largely faltered due to a lack of continuity, political instability, and inadequate follow-through. Another example is the Five-Year Plans, which, despite initial success in the 1960s, faced disruptions due to military coups, political transitions, and changing economic priorities, leading to inconsistent progress.

Most past efforts to reform economic planning in Pakistan failed due to a range of factors. These include the lack of accountability, poor policy coordination between federal and provincial governments, and limited input from private sector and academic stakeholders. Furthermore, Pakistan's bureaucratic inertia, coupled with a deeply politicized policy process, often undermines long-term planning, making it difficult for any comprehensive economic strategy to endure beyond short-term political cycles. The board's success will depend on its ability to manage the delicate balance between private sector interests and long-term national goals. With public trust in government institutions low, and the country facing significant hurdles in achieving Sustainable Development Goals (SDGs), there is a risk that private sector influence might skew policies

towards short-term gains rather than sustainable growth. The board's ability to navigate these challenges while fostering transparency and equity will be crucial in determining whether it can set a new standard for effective and inclusive economic planning in Pakistan.

### 3D's of Pakistan's economy: Dual Debt Dilemma

Pakistan's deepening [debt crisis](#) vividly illustrates a critical economic paradox: the government's reliance on massive borrowing is both a symptom and a cause of its fiscal malaise. With domestic debt soaring to Rs69.6 trillion and projected borrowing reaching Rs9.3 trillion for FY25, the country is ensnared in a "double debt" trap where almost all tax revenue is consumed by debt servicing. This crisis is not just about numbers but about the erosion of fiscal space and economic potential.



Picture Source: DAWN

The record Rs8.4 trillion borrowed at a staggering 22% interest rate underscores a fundamental flaw in economic strategy. Recent interest rate cuts may offer temporary relief but fail to address the root issue: a fiscal system that stifles private sector growth and exacerbates unemployment. The government's short-term fixes are crowding out long-term growth, leaving the private sector constrained and economic prospects bleak. To escape this cycle, Pakistan must embrace a comprehensive overhaul of its fiscal policies, focusing on sustainable revenue generation and economic reforms. Without these changes, the nation risks remaining trapped in a relentless cycle of borrowing and stagnation.

### Power Play: The Escalating Cost of Capacity Payments and the Call for Reform:

Pakistan's electricity sector is grappling with [a severe capacity payment crisis](#), exacerbated by soaring tariffs and inefficient energy policies. Capacity payments, which have skyrocketed from Rs384 billion in FY2017 to Rs2,142 billion in FY2024, reflect a fundamental misalignment between electricity demand and the costs associated with power generation. Despite consistent average demand of 13,000 MWs, the production capacity has more than doubled to over 43,000 MWs, largely due to new Independent Power Producers (IPPs). This expansion has significantly driven up costs, with the IPPs average capacity escalating from Rs2.78 per unit in 2015-16 to Rs18.39 per unit for FY2025, a direct result of increased LIBOR and KIBOR rates and the devaluation of the Pakistani Rupee. Consequently, consumers are burdened with high electricity costs, while capacity payments to power producers consume nearly half of the sector's revenues.

The crux of the problem lies not just in the rising tariffs but also in the inefficiencies and financial mismanagement within the sector. Government and China-Pakistan Economic Corridor (CPEC) projects are particularly problematic, with capacity payments to these plants amounting to Rs880 billion annually, including substantial returns on equity. This situation is compounded by rampant electricity theft and circular debt, which together swell the fiscal deficit. To alleviate the burden on consumers, the government must reconsider its power purchase agreements, particularly those with CPEC and government-owned plants, and address the systemic issues of transmission losses and inefficiencies. Without comprehensive reforms, including a more rational tariff structure and improved management of existing power resources, Pakistan's electricity sector will continue to strain its economic stability and hinder growth.

### Economic Fallout and Geopolitical Instability:

The Russian-Ukraine conflict initially drove global fuel prices to unprecedented levels, severely impacting Pakistan's economy due to its reliance on imported energy. As global energy markets faced supply shortages and price hikes, Pakistan had to pay significantly higher costs for crude oil and LNG, exacerbating inflation, increasing production and transportation expenses, and straining government finances. While international fuel prices have recently dropped as supply chains stabilized, Pakistan has not fully benefited due to the depreciation of the rupee, which offsets the reduction in global prices. Additionally, high taxes on fuel and the country's fiscal challenges have further limited the relief for consumers, leaving Pakistan's economy still grappling with elevated energy costs despite the global trend of falling prices. This surge has triggered a domino effect across sectors—spanning from industrial output to household budgets—compounding the country's already fragile economic situation.



Picture Source: Unsplash

As outlined in the [finance ministry's report](#) to the Asian Development Bank (ADB), the escalation in fuel costs has not only stifled consumption but has also inflated the cost of essential goods, placing an additional burden on low-income households. The knock-on effects of these price increases are stark: a significant reduction in economic activity and an exacerbation of poverty, particularly in the wake of the 2022 floods which further strained the fiscal space.

Moreover, the report underscores a critical point: despite improved revenue performance and a marginal reduction in the fiscal deficit, the economic landscape remains precarious. The government's ability to manage expenditures, particularly in relation to capacity payments and subsidies, will be pivotal in determining the broader economic stability.

The BRACE (Balochistan Rural Development and Community Empowerment) program's efforts to cushion the economic impact are commendable but must be coupled with a robust strategy to address underlying structural issues and mitigate the adverse effects of global crises. As Pakistan navigates these turbulent waters, it is imperative that fiscal policies evolve to balance immediate relief with long-term economic sustainability.

#### **A Mixed Blessing for Pakistan's Economy:**

Pakistan's inflation rate fell to a 34-month low of 9.6% in August 2024, a [notable improvement](#) from previous highs. This decline, driven by stabilizing commodity prices and a steadier rupee, offers relief amid ongoing economic strains. The Consumer Price Index (CPI) and core inflation rates show promise, suggesting potential economic stabilization.

However, some reservation is warranted. The base effect may exaggerate the inflation drop, and underlying structural weaknesses persist. While the real interest rate's positivity hints at possible rate cuts by the State Bank of Pakistan, these alone may not address deeper economic issues.

Prime Minister Shehbaz Sharif and his administration have touted this as a success of their economic reforms, but long-term effectiveness remains uncertain. Despite the positive data, the broader economic challenges and the need for sustained, structural improvements cannot be overlooked.

#### **Economic Fixes vs. Solutions:**

[Pakistan's economic instability](#), marked by heavy debt and reliance on external loans, requires both short-term relief and long-term reforms for recovery. If the government relies solely on debt rollovers, it may provide temporary relief but delay addressing core issues, while favorable IMF negotiations could ease immediate pressures. However, if these measures are not coupled with long-term strategies—such as stabilizing the exchange rate to reduce foreign debt costs and implementing structural reforms in taxation, energy, and agriculture—the country risks perpetuating its financial vulnerabilities. If Pakistan diversifies its exports and attracts foreign direct investment, it could enhance trade reserves and create sustainable growth. Balancing immediate relief with these strategic reforms is crucial for lasting economic stability.

#### **Geopolitical Strains and the IMF Delay:**

[Pakistan's current predicament](#) with the delayed IMF program approval is a stark reminder of the intricate web of dependencies that characterize its economic and political landscape. The reliance on China, Saudi Arabia, and the UAE for financial rollovers reveals more than just a fiscal gap; it exposes the fragility of Pakistan's geopolitical alliances. These countries' hesitations signal a loss of trust, particularly from China, which no longer views Pakistan as a reliable partner.

This shift is not merely about money; it reflects deeper concerns about Pakistan's long-term stability and governance. Saudi Arabia's reluctance to commit further funds, influenced by China's stance, illustrates how quickly financial support can wane when geopolitical confidence erodes. On the domestic front, the situation is further complicated by political turbulence. The establishment's seemingly softer approach towards the PTI, alongside Ishaq Dar's inflammatory remarks against the IMF, suggests that political strategies

may be undermining economic recovery efforts. The IMF's apparent hesitance could be interpreted as a signal that political stability is as crucial as fiscal reform in their calculus. This scenario raises critical questions about the sustainability of Pakistan's economic policies in the face of its political volatility. The déjà vu of 2023 is not just a repeat of past mistakes but an indicator of a deeper systemic issue where political and economic strategies are out of sync.

If Pakistan is to break this cycle, it needs to address the root causes of its instability, both at home and in its international relations. The current situation is not just a delay in funding but a reflection of broader concerns about Pakistan's future trajectory, one that demands a more coherent and strategic approach to both governance and diplomacy.

## POLICY SPOTLIGHT

### LHC Overturns Controversial Foreign Funding Policy:

[The Lahore High Court \(LHC\) has invalidated the 2022 federal policy](#) on foreign funding for NGOs, citing its lack of legislative backing and overreach into legislative powers. This policy, aimed at addressing Pakistan's FATF compliance issues, required approvals from senior Ministry of Economic Affairs (MoEA) officials and clearance from unspecified security agencies before NGOs could receive foreign funds.

The court's ruling is pivotal for a number of reasons:

- **The Constitutional Principle:** The LHC emphasized that executive policies cannot substitute legislative authority. Justice Asim Hafeez's judgment reinforces that only Parliament can impose legal constraints on civil society, not the executive branch.
- **Impact on Civil Society:** The policy's stringent requirements and ambiguous role for security agencies were seen as restrictive. NGOs argued that these provisions curtailed their operational freedom and were enforced arbitrarily, thus stifling civil society activities.

- **Legal Precedent:** This ruling follows a pattern of judicial scrutiny over executive overreach. The court's decision underscores the necessity for clarity and legislative support in regulatory frameworks, ensuring that policies affecting fundamental rights are properly sanctioned by law.

The HRCP and other civil society groups view the ruling as a victory for organizational autonomy and transparency. The decision calls for a re-evaluation of regulatory approaches to balance national security concerns with the operational needs of NGOs, setting a crucial precedent for future policymaking.

### Foreign Funding Oversight Committee:

The federal cabinet's recent [formation of a committee](#) to review foreign funding for NGOs underscores the mounting scrutiny and regulation of non-governmental organizations in Pakistan. This move is part of a broader effort to address longstanding concerns about foreign interference and financial transparency within the sector. The committee, which includes high-ranking officials from key ministries, is tasked with evaluating the channels through which NGOs receive foreign fund

and ensuring these funds are used for their intended purposes. The urgency of this review reflects Pakistan's ongoing struggle with economic instability and security concerns, exacerbated by previous allegations that INGOs were involved in activities against national interests, including espionage and political manipulation.

Historically, the Pakistani government has taken a stringent stance towards INGOs, driven by fears of foreign influence and potential threats to national security. The 2015 policy framework and the expulsion of 18 international charities in 2018 illustrate the country's cautious approach to foreign NGOs, aimed at preventing misuse of funds and protecting sensitive information. However, these measures have also sparked debate about their impact on the operational space for legitimate organizations working on critical social issues. The new committee's role is crucial in balancing transparency with national security, but it must avoid overreach that could stifle genuine humanitarian and development efforts. Ensuring that these regulations do not hinder the positive contributions of NGOs while maintaining rigorous oversight will be a significant challenge for the government.

### **26th Amendment Deadlock: Implications for Pakistan:**

The 26th Amendment, which proposed fixing the tenure of the Chief Justice of Pakistan to three years and introducing a Federal Constitutional Court, aimed to alter the structure of the judiciary and executive relations significantly. Had it passed, it would have extended the influence of the executive over judicial appointments and created a system where judges could be transferred across provinces—threatening judicial independence and provincial autonomy. The [failure to pass this amendment](#) also reflects broader issues within the political system, including strained relations between the executive and judiciary, and the

growing inability of the current government to rally sufficient parliamentary support for constitutional changes. The repercussions of the amendment, if passed, could have undermined democratic checks and balances, but its failure demonstrates the limitations of the government's power and the resilience of opposing forces within the system. The proposed constitutional amendments, particularly the tenure fixation for the Chief Justice of Pakistan and the creation of a Federal Constitutional Court, have triggered a significant political and legal uproar in Pakistan.

The central issue here lies in the perception of an assault on judicial independence. By fixing the CJP's tenure and creating a parallel court, critics argue that the amendments seek to weaken the judiciary's autonomy, turning it into an instrument subservient to executive power.

This is a crucial moment in Pakistan's democratic landscape, as the judiciary is often viewed as the last bulwark against executive overreach. The opposition's resistance and the legal fraternity's strong backlash signal deep-rooted fears that these changes could permanently alter the country's balance of power, undermining checks and balances crucial for democratic governance.

Furthermore, the timing of these proposed amendments, combined with the broader political context, raises concerns over the intentions behind this legislative push. The government's strained legitimacy and its reliance on coalition support have amplified concerns of "strong-arm tactics" being employed to force through constitutional changes.

This reflects a potential erosion of democratic norms, with decisions being made in haste and without proper public or parliamentary debate.

Moreover, the proposed transfer of judges across provinces, which threatens provincial autonomy, and amendments related to Article 63-A, meant to target political opposition like the PTI, reflect a broader agenda to curtail dissent.

These developments, if passed, could reshape Pakistan's constitutional and legal framework, potentially curbing judicial independence and entrenching executive authority at the expense of democratic checks and balances.

## ENERGY FRONTIER

### Hidden Treasures: Fourth-Largest Global Reserves Revealed:

The recent identification of the [world's fourth-largest oil and gas reserves](#) off Pakistan's coast represents a potentially transformative development for the nation's energy sector and economic landscape.

This significant discovery, confirmed through a rigorous geographic survey in collaboration with a friendly country, promises to alter Pakistan's reliance on imported energy and reduce its external debt burden. The reserves, if fully tapped, could provide a substantial boost to the economy, fostering energy independence and potentially stabilizing Pakistan's fiscal situation.

However, the path from discovery to production is fraught with challenges. The high costs associated with offshore drilling, compounded by Pakistan's current economic constraints, pose a substantial hurdle. Moreover, the time required to develop the necessary infrastructure for extraction and processing—typically four to five years—means that the economic benefits of this discovery will not be immediate.

The cautious optimism surrounding this discovery highlights a broader issue in Pakistan's energy strategy: the frequent gap between potential and realization.



Picture Source: SAMAA

Previous attempts to explore offshore reserves were stymied by financial limitations and inadequate drilling efforts. While the current discovery could revolutionize Pakistan's energy sector, turning potential into actual economic benefits will require overcoming significant logistical and financial barriers.

The government must prioritize investment in drilling technology and infrastructure, streamline regulatory processes, and ensure that the exploitation of these resources is managed transparently and sustainably.

Only through careful planning and execution can Pakistan hope to harness these reserves to their full economic potential and achieve long-term stability.

# AGRICULTURAL WATCH

## Why a National Dialogue is Essential to Compensate Farmers:

Pakistan's agricultural sector is facing a dire crisis exacerbated by climate change, demanding urgent national dialogue and targeted strategies. Farmers, who are pivotal to the nation's food security, are struggling under a [heavy burden of economic and environmental challenges](#). Rising input costs, unpredictable weather patterns, and reduced crop yields have pushed many to the brink of insolvency, significantly impacting their ability to sustain production.

The government must prioritize compensating farmers through direct financial aid, subsidized inputs, and better access to timely agricultural guidance. Furthermore, investing in research to develop climate-resilient crop varieties is crucial for long-term sustainability. The economic strain on farmers is compounded by broader financial pressures and exploitation within the agricultural value chain.



Picture Source: Breccorder

While international lenders impose harsh conditions that elevate energy costs, opportunists exploit the instability, driving down commodity prices and inflating input costs. To address these issues, banks should be mandated to provide low-interest loans with simplified terms specifically for smallholder farmers, distinguishing them from the broader agricultural sector's financial needs. This approach will not only alleviate immediate financial pressures but also support the sector's resilience against future climate impacts.

## SOCIAL & HUMANITARIAN FOCUS

### Dichotomy of Education:

The educational crisis in Pakistan highlights a profound disconnect between the promise of education and its actual outcomes, revealing deep-seated systemic flaws. The infrastructure of public education is deteriorating, characterized by outdated textbooks, inadequate facilities, and a curriculum that fails to equip students with essential 21st-century skills.

This inadequacy not only hampers individual success but also perpetuates a cycle of poverty and disenfranchisement.

[The disparity between elite and public education](#) is stark. Elite schools, offering international curricula and superior resources, create an exclusive environment that secures the best opportunities for their students, while those in the public system are left behind, often struggling with outdated methods and poor facilities. This inequality is compounded by a job market that undervalues education, offering meager salaries to educated individuals while allowing those involved in corruption and criminal activities to thrive financially.

Such a system fosters a climate of disillusionment and reinforces social divides, where only the privileged have access to quality education and lucrative career prospects.

The urgent need for educational reform is evident. The focus must shift from superficial reforms to substantial changes that address infrastructural deficiencies, outdated curricula, and the elitist nature of the education system.

Investing in education is not merely about improving academic outcomes but also about fostering a more equitable society. Until systemic changes are made, the cycle of inequality and disillusionment will persist, undermining the potential for social mobility and economic progress.

The failure to address these issues will continue to rob future generations of their dreams and opportunities, perpetuating a cycle of inequality and stagnation.



Picture Source: Friday Times

### **Anemia crisis among Pakistani Women: 41% affected:**

The recent 'Cost of Inaction Tool' report by Nutrition International highlights a dire state of maternal and child nutrition in Pakistan, with over [41% of women](#) suffering from anemia, significant rates of underweight and overweight conditions,

and high maternal mortality linked to poor nutritional practices. The report reveals that Pakistan loses approximately \$17 billion annually due to undernutrition, with inadequate breastfeeding contributing an additional \$28 billion in health-related costs.



Picture Source: Shutterstock

This alarming data underscores the urgent need for comprehensive reform in maternal nutrition, as reflected in the newly signed 'Bhuban Declaration.'

This declaration commits to accelerating the implementation of the Pakistan Maternal Nutrition Strategy 2022-27, integrating maternal nutrition into health services, and enhancing funding and response mechanisms.

As the nation grapples with severe nutritional deficiencies and their economic repercussions, it is crucial that stakeholders coordinate efforts to address these issues holistically, ensuring sustainable progress and improving health outcomes for mothers and children across the country.

# SECURITY AND GOVERNANCE

## Allegations of ATA and Cybercrime Law Abuse:

In Gilgit-Baltistan, the Awami Action Committee recently staged [a protest rally](#) condemning the misuse of the Anti-Terrorism Act and cybercrime laws, which they claim are being weaponized to stifle dissent and restrict freedom of expression.

Led by key figures including Advocate Ehsan Ali and Najaf Ali, the rally highlighted concerns over the alleged fabrication of charges against political activists and office-bearers as a means of silencing their advocacy for local rights, such as land ownership and reliable electricity.

The demonstrators gathered at the Central Press Club of Gilgit, where they denounced the government's coercive tactics and demanded the withdrawal of unjust charges and the resolution of long-standing issues like the lack of local body elections and ongoing land and mineral exploitation concerns. The protest underscores the growing discontent with government policies perceived as suppressing the voices calling for justice and local autonomy.



Picture Source: DAWN

## August Sees Spike in Terror Attacks: 59 Incidents vs. 38 in July:

In August 2024, Pakistan witnessed a surge in terrorist attacks, with [59 incidents reported](#) compared to 38 the previous month. The attacks were concentrated in Khyber Pakhtunkhwa and Balochistan, which saw 29 and 28 incidents

respectively. The violence resulted in 84 fatalities and 166 injuries nationwide. Balochistan was notably impacted by attacks from the Balochistan Liberation Army (BLA), including a major assault on August 26, the anniversary of Nawab Akbar Bugti's death, which targeted security forces, non-Baloch civilians, and national infrastructure.

In Khyber Pakhtunkhwa, multiple militant groups, including the Tehreek-i-Taliban Pakistan (TTP) and Islamic State-Khorasan (IS-K), were responsible for 29 attacks, causing 25 deaths and 80 injuries. Punjab reported two attacks, resulting in few casualties. In response, security forces conducted 12 anti-militant operations, killing 88 militants while suffering 15 army and three police casualties. The increase in militant activities and the sophisticated tactics used, such as targeting Punjabis and utilizing vehicle-borne explosives, highlight the growing capabilities of the BLA. The report calls for enhanced political engagement with the Baloch population and a comprehensive counterterrorism strategy involving neighboring countries to address the escalating threat.

## August's Deadly Toll: Balochistan's Surge in Violence:

In August 2024, Pakistan saw a sharp rise in anti-State violence, with 254 fatalities, making it the deadliest month of the [year](#). Balochistan experienced the most severe escalation, with a staggering 277% increase in violent incidents and a 938% surge in deaths. The province alone accounted for 125 deaths, significantly intensifying the conflict. The Pakistan Institute for Conflict and Security Studies (PICSS) reported that militant attacks were the primary cause of these casualties, with 175 fatalities and 123 injuries. Security forces' operations resulted in 79 deaths, marking the highest number of militant fatalities in a single month since February 2017.

Conversely, Khyber Pakhtunkhwa and Sindh saw improvements, with declines in violent incidents and casualties. Khyber Pakhtunkhwa reported a 43% drop in incidents and a 69% decrease in deaths, while Sindh had only two incidents with no fatalities. Despite these regional improvements, the overall trend for 2024 shows a 51% increase in militant attacks and a 21% rise in deaths compared to the previous year.

### **Kashmir issue: FO Disputes Indian Claims of 'Unilateral Solution'**

[Pakistan's response to India's recent statements](#) on Jammu and Kashmir reaffirms its stance that the dispute should be resolved per United Nations Security Council (UNSC) resolutions and the wishes of the Kashmiri people. The Spokesperson, Mumtaz Zahra Baloch, rejected India's claims of unilateral settlement as misleading and disconnected from the realities on the ground. She emphasized that Pakistan will continue to respond firmly to hostile actions while advocating for a resolution aligned with UNSC resolutions.

However, this response could benefit from a more nuanced strategy. While the emphasis on UNSC resolutions and the inalienable rights of the Kashmiri people is crucial, it may not fully address the evolving geopolitical dynamics or the limitations of current international mechanisms. The rhetoric of "unyielding resolve" risks intensifying tensions rather than fostering dialogue. A more constructive approach might involve offering innovative proposals for engagement, acknowledging the changing regional context, and seeking practical avenues for negotiation that could lead to a more sustainable and peaceful resolution.



Picture Source: Brecorder

## INNOVATION & GROWTH

### **Cultivating startup surge:**

[Pakistan's startup ecosystem](#), while vibrant, faces significant challenges and opportunities. The country has a youthful, tech-savvy population, growing internet access, and a rising middle class, which create a fertile ground for innovation. However, obstacles such as limited access to capital, regulatory complexities, and a nascent funding environment hinder startup growth. Venture capital and angel investing are still developing, and traditional banks are cautious about lending to startups. To address these issues, collaborative efforts from the government, financial institutions, and private sector are crucial.

Establishing dedicated startup funds, providing tax incentives, and creating infrastructure like special economic zones for tech startups could alleviate some of these challenges. Streamlining regulatory processes and simplifying business registration are essential to foster a supportive environment.

Mentorship and education are vital for nurturing entrepreneurial talent. Programs that connect seasoned entrepreneurs with novices and integrating entrepreneurship into academic curricula can help build a skilled workforce.

Success stories like Vektor, which is advancing 3D printing technology, and Bykea, revolutionizing urban mobility, showcase the potential of technology-driven startups in Pakistan.

To strengthen the ecosystem, efforts must also focus on addressing the skill mismatch in the labor market and shifting cultural perceptions toward entrepreneurship. Initiatives such as startup incubators and accelerators, like Plan9 and NIC Karachi, play a key role in providing support and resources to early-stage ventures.

Overall, with strategic investments in capital, regulatory reform, mentorship, and technology, Pakistan has the potential to become a significant player in the global startup arena. By overcoming current challenges and leveraging existing opportunities, the country can pave the way for a robust and innovative entrepreneurial future.



Picture Source: The News