

**ASSIGNMENT No. 2**

**Q.1 What do you know about population distribution of Pakistan? Highlight unemployment reasons of the country.**

A very high birth rate has led to a growth rate of 2.1 % in Pakistani population. As we know that per capita income derives by dividing national income on total population. Low per capita income shows the population explosion. Per capita income in Pakistan is about \$ 1254. Another symbol of overpopulation is unemployment and it becomes difficult to adjust the huge population in economic activities. The rate of unemployment in Pakistan is 5.6 %.

- Several factors are responsible for this population explosion in Pakistan:
- A single person cannot support his family in developing countries like Pakistan. He assumes that if he has more children there will be more earning hands to support the family
  - Due to illiteracy, people are not aware of the economic problems caused by a high birth rate. Lack of thorough religious knowledge and some self-made beliefs also contribute.
  - Family planning available in Pakistan isn't that effective. Most of the people are not familiar with the methods of family planning further they feel hesitation to consult for that as well.
  - Getting married at an early age like between 16 to 22 years in Pakistanis infect increases the duration for re-productivity in a woman's life.
  - Sometimes competition among the family members in accordance with the family size especially in the joint family system is one of the causes.
  - Polygamy is the condition or practice of having more than one wife at one time. The existence of polygamy also contributes to the increase in population. People feel the pride to have a large family.
  - Lack of recreational facilities and employment opportunities in Pakistan is also a contributing factor. The only recreational activity a couple can have is passing time together.

**Lack of Investment**

Another reason is the lack of investment. Investors are investing in outside projects due to which there is a low savings average which leads to low capital, which is ultimately a reason for unemployment.

**Lack of Opportunities**

Pakistan is considered a talented nation but due to the poor employment system, many talented people do not find a platform to show their skills. Due to this many people remain jobless for a long time. Even Facebook marketing can enhance the business but lack of familiarity with the banking system does not let people start.

**Poor Education System in Pakistan**

In Pakistan education system is not improved with time needs. There are several technical colleges that are training the students but this training is not according to the needs of the market. They are also not trained. From the primary level to university graduates, they must be trained to different skills especially the main focus should be to build Entrepreneurial skills and characteristics in youth

### **Lack of Experience**

The frequently asked question in most job interviews is “How experienced you are?”. Despite providing a chance of experience to skilled people everyone is asking for their high experience in the field.

### **Violence of Law**

As the law is not considered an important or respectable aspect of our society. Due to a lack of following of law, everyone considers himself superior and does whatever he wants. This makes the system poor due to which people avoid investing or establishing industries in the country.

### **Energy Crisis in Pakistan**

Pakistan has been gifted with huge natural resources but due to a lack of government concentration these resources have not been used in a proper way. As facing this energy crisis government is unable to provide basic needs like electricity, water, gas, and home. Shortage of electricity causes loss to industrialists and as a result, they are shifting their units to other countries.

### **High Age of Retirement**

In Pakistan, the age of retirement is 60. In many government institutes, there are officers who are not even able to work continuously for 2 hours but they are on the seat. Due to them, there are many talented people who are still looking for the job despite their ability, talent, hard work, and working power only because of lack of any vacancy.

n:

- Unauthentic Sources should strictly be uprooted. So that the deserving people should get the job.
- The government should create an environment which makes the industrialist set more and more industries.
- The government should give much facilities and benefits to the investors so that they invest more in Pakistan.
- The education system should be updated and systemize in a good manner.
- Law implementation should strictly monitor.
- Every citizen should follow the rules and regulations by heart and should maintain discipline.
- The Government and also the high officials should try to provide a platform to youngsters where they could be able to gain experience and also a chance to enhance and polish their skills.
- Hundreds of creative minds are facing high-interest rate [personal loans in Pakistan](#). Govt. should start schemes to promote them.
- A policy should be made in which the officers who have crossed the age of 50 should be given their deserving pensions and also few allowances.
- The government should construct and plan policies in a proper way
- Businessmen should be encouraged to start own business or continue the family business.

- The youngsters should develop in themselves the qualities of working hard and also the passion for working productively.

There is not any problem in the world that can't be removed with passion and determination. The only thing which has to be done is work with unity and responsibility. If every citizen starts performing his or her own duties then there is no one who will stop the nation to progress.

Being unemployed causes people to often feel woeful as well as dejected, so if you have some family member or friend who is unemployed ascertain that you are there for this person in their time of need and self-doubt as well.

**Q.2 Write short notes on the following:**

**a) Reasons of population and density in Pakistan**

Pakistan being one of the high-fertility countries with a large proportion of young adults and children had a population of 33 million in 1950 and its rank was 14th in the world but today, its population has reached around 210 million making Pakistan 6th most populous country of the world, after China, India, USA, Indonesia, Brazil, and surpassed Japan, Bangladesh, Nigeria, South Korea, Russia etc.

In terms of land area Pakistan is 34th and shares 0.6% of the world area and in terms of Human Development Index, it has 147th position in the world. Out of these countries, Pakistan has the highest population growth rate at around 1.90%. Each family in Pakistan on average has 3.1 children.

Pakistan is facing a formidable challenge of tackling the issues of economic development and poverty reduction.

There are numerous threats to Pakistan including military threat from neighbouring enemy country like India, the economic threat through rising international debt liabilities, drug addiction, ideological threats, provincialism, sectarianism, terrorism, corruption, political instability, disturbed political conditions, heightened security concerns, unstable law and order situation, soaring oil, food and other commodity prices etc., but the real threat to peace and development of Pakistan is the growing problem of "Pakistan Explosion" along with its serious and grave consequences, said Professor of Community Medicine Dr. Muhammad Ashraf Chaudhry while talking to 'The News' in connection with World Population Day, which is observed every year on July 11 around the globe.

If the population of the country continues to grow with the same rate (1.90%), it is likely to double in next 37 years, making Pakistan 3rd most populous country of the world; whereas land area will remain the same rather will be reduced due to residential plans, he said.

Major factors responsible for high population growth in Pakistan are high fertility, low contraceptive prevalence rate, high unmet need of family planning, declining mortality, custom of early marriages, son preference, poverty, illiteracy especially of women and lack of women empowerment, religious constraints, beliefs, customs, traditions and lack of recreational activities.

Failure of proper implementation of government's population planning policies is the major cause of population growth as our contraceptive prevalence rate instead of increasing is decreasing and at present it is 30%, said Professor Ashraf.

Another reason is that government did not have a monitoring system in place to regulate health centres or keep records of the population growth despite the fact that population welfare programme of Pakistan is one of the oldest in the world but it has not yielded the kind of progress as compared to other countries like Bangladesh and Indonesia, he said.

**b) Population migration in Pakistan**

With 6.3 million emigrants, amounting to over three per cent of the population, Pakistan is one of the top 10 emigration countries in the world (UNDESA, 2019). There has been a considerable increase in the number of Pakistani emigrants in the previous decades, rising from 140,000 in 2005 to a peak of nearly one million in 2015. Most recently, the Bureau of Emigration and Overseas Employment (BEOE) registered more than 600,000 workers, students, and others going abroad in 2019 (BEOE, 2020).

Pakistanis most commonly migrate overseas for work. Labour migration has been historically relevant in Pakistan, where, by the 1980s, the foreign exchange earnings from remittances were greater than the sum of earnings from other sources, equating to ten per cent of the country's GNP (IOM, 2016; Gazdar, 2003). Today, seeking employment abroad continues to constitute a core part of Pakistan's economy and its government efforts to reduce unemployment and poverty in the country. It is further encouraged by the government's development of an advanced legal and institutional framework for migration as well as a dedicated ministry, the Ministry of Labour, Manpower and Overseas Pakistanis, which manages and maintains the welfare of Pakistani nationals abroad (IOM, 2019).

Migrants traveling to neighbouring countries or Gulf states tend to be low-skilled or semi-skilled migrant workers whose migration are normally short-term (IOM (a), 2019; UNESCAP, n.d.). Alternatively, labour migrants going to Europe prefer to stay overseas long-term, often with their families<sup>1</sup> (IOM (a), 2019; UNESCAP, n.d.).

Educational migration is also an important facet of Pakistani emigration. There is significant outward student mobility from Pakistan, as evidenced by a sharp increase in the number of Pakistani students abroad from 2006 (24,671) to 2010 (36,366) (IOM (a), 2019; Ahmed et al., 2015). In 2011, some 49,000 students from Pakistan were studying abroad, seventy-six per cent of whom were doing so in OECD countries (IOM (a), 2019; OECD, 2013). By the first quarter of 2019, China, one of Pakistan's primary destinations for study abroad, hosted around 28,000 Pakistani students ("China Rising," 2019). A majority of students migrate with their own finances or are financed by their families, however, the establishment of the Higher Education Commission in 2002 fostered opportunities for students from lower income families to go abroad for higher studies (Ahmed et al., 2015).

In 2016, IOM DTM collected data on Pakistani migrants before migration to Europe, in transit, in final destinations in Europe, upon return from Europe and amongst families left behind in Pakistan using DTM's Comprehensive Migration Flows Survey (CMFS). In 2018, flow monitoring data was collected on Pakistani migrants in Europe through the DTM Flow Monitoring Survey (FMS). While these studies specifically focus on migration to Europe, their findings will be reexamined in the following report in order to draw contextual comparisons.

This quantitative study, the Survey on the Drivers of Migration (SDM), is the first stage of a three-year research and policy program conducted by IOM and financed by the European Union under a regional program called REMAP (Regional Evidence for Migration Analysis and Policy). The objective of REMAP, which is implemented by DTM at regional and country levels, is to strengthen the evidence-based formulation and implementation of humanitarian and development policy and programming on migration and forced displacement in Afghanistan, Bangladesh, the Islamic Republic of Iran, Iraq and Pakistan through the dissemination of insights gained from DTM's research.

Data for the SDM was collected in January 2020, targeting Pakistani potential migrants in five provinces (Baluchistan, Islamabad, Khyber-Pakhtunkhwa (KPK), Punjab and Sindh). It should be noted that Islamabad is the federal capital territory, and therefore counts as both a province and district in this report. Enumerators used a structured questionnaire and interviewed respondents in person. Seven hundred and sixty-one respondents in 19 districts with high international, outward migration were interviewed. Geographical sampling was based on existing figures from the BEOE. The objective of this study is to unpack the motivations behind Pakistani migration to different regions by covering a range of migration variables.

This report is divided into two main sections, preceded by a summary of key findings. The first section covers the methodology used in this research study, including sampling and limitations. The second section covers the findings and is divided into four thematic sub-sections. The first subsection contains a socio-economic profile of the respondents. The second subsection explores the drivers of Pakistani migration in terms of pull factors attracting migrants to specific destinations, push factors encouraging people to leave and challenges that potential migrants face at individual, household and community levels. In the third subsection, the report examines how respondents obtained information relevant to their migration decision-making, their future intentions and transnational support structures. Finally, the last subsection comprises respondents' conditions to stay and future aspirations.

### **Q.3 Highlight the special measures of the Govt. of Pakistan to solve the problems of urban areas of the country.**

Pakistan is the most urbanized country in South Asia. Yet, there are issues of the definition of urbanization, as well as other challenges associated with the urbanization experience. This article refers to some literature on urbanization issues.

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The primary issue, as highlighted by the brilliant and original research by Reza Ali, is the lack of proper definition of urbanization for the census data. The census defines ‘urban’ narrowly and everything else is assumed to be rural. That leads to a gross underestimation of the population living in the urban areas. The census, especially since 1981, refers to administrative boundaries rather than relying on evidence-based research. According to the informal estimates of researchers, our urban population could be up to 50 percent.

It is important to rework the definition of urbanization in Pakistan; as it is a major catalyst of political process. The phenomenon of urbanization defines the relationship between the state and its citizens through political participation and exercise of political rights. It is also important from the point of view of resource allocation and estimation of the revenue base.

The urban/rural divide is not a “dichotomy”, rather it is a “gradient”. In terms of urbanization, proximity, complexity, density, dynamics and diversity are important characteristics. For any conceptual framework of agglomeration economies in the urban context; population density, proximity to city, and urban core are important. There are many areas that are no longer rural and it might be better to classify them as “urbanizing”, according to Reza Ali. Those areas are not fully urban, yet they are not rural either. Therefore, it is better to use three categories – urban, urbanizing and rural – to map Pakistan rather than just to classify them as urban and rural.

If the definition is changed, then in Punjab and Khyber Pakhtunkhwa, a large population that is classified as rural would actually fall under the new third category of ‘urbanizing’ due to high population density, prevalence of urban core (town of 50,000 population), and closeness to a nearby city (within a 75 minutes drive away from a city of 100,000 inhabitants). If this definition is also applied in Sindh, then certain areas classified as urban would actually fall under the third category of ‘urbanizing’. In Balochistan, only Quetta would be considered ‘urbanizing’.

Reza Ali further states that “...population density in Pakistan has increased from 42.4 persons/skm in 1951 to an estimated 231.6 persons/skm in 2013 with the highest density in Punjab (488 persons/skm, 2013 estimate) and lowest in Balochistan (27.4 persons/skm, 2013 estimate)... Other than Balochistan, the majority of the population live within one-hour from a city (83 percent, 80 percent and 68 percent in Punjab, Sindh and K-Pakhtunkhwa) and a small proportion living more than two-hours away (the respective figures being 1 percent, 7 percent, and 9 percent); Balochistan presents a different picture with only 20 percent of the population living less than one-hour and 20 percent living more than 6 hours-away from a city”.

In other words, the census definition of urbanization grossly underestimates the magnitude of population going through the urbanization experience. It leads to a “flawed understanding” of the nature of urbanization and introduces significant policy distortions. There is need to redefine urbanization for our official purposes and to recalibrate the related policy interventions as this has an impact on the nature of politics, gender, poverty, governance, inequality, informality, empowerment and marginality.

In terms of the impact of increasing urbanization on the lives of those who live in urban or urbanizing areas; it has increased the pressure on big cities to such an extent that public services and job creation struggle to meet the needs of the people “with one in eight urban dwellers living below the poverty line”.

‘Urbanizing areas’ are also called “peri-urban” or “ruralopolises” in some other literature. They are considered to constitute an estimated 60 percent of urban Pakistan. Such massive urbanization has led to poor housing quality and affordability, as well as, poor water and sanitation, transportation, health, education, and land management.

In terms of housing, urban housing is estimated to be approximately 4.4 million units short of the prevalent demand. Similarly, according to an estimate, 90 percent of water schemes do not provide safe drinking water. Solid waste management services are low and shared latrines are common in the households in urban areas. Poor sanitation, according to an estimate, costs around 3.9 percent of GDP to Pakistan, mainly due to diarrhoea-related poor health outcomes among under-five old children. In terms of transportation, the cost is considered to have increased 100 percent since the year 2000 and “Karachi is only megacity in the world without a mass public transport system”. Land management is also poor.

On the positive side, those living in the urban areas overall have better access to health and education facilities. In health, the prevalence of immunization in urban areas is particularly worth noting as a positive feature.

In terms of other positive impacts of urbanization is the realization of agglomeration economies. These are the “unintended benefits” due to the clustering of workers and firms as they are in close proximity to each other in the urban areas; this generates job creation and productivity, particularly in the manufacturing and services sectors.

From the policy perspective, Pakistan’s Vision 2025 attaches great importance to cities as the main focus of policy at the national level to promote inclusive and sustained economic growth.

#### **Q.4 Write a detailed note on 1<sup>st</sup> and 2<sup>nd</sup> Five years Plan of Pakistan and assess its silent features.**

At the time of [partition](#) of [British India](#) by the [United Kingdom](#), Pakistan was a relatively under-developed country.<sup>[6]</sup> The country's systems of [production](#), [transportation](#), [trade and consumption](#) yielded a very low standard of living, with little opportunity for [education](#), or [economic advancement](#) in the country.<sup>[6]</sup> The industries and financial services were non-existent in the country and [agriculture](#) development was among the lowest in the world.<sup>[6]</sup> The vast majority of the population still lived in villages and was untouched by the [scientific and technological](#) development of the past two centuries.<sup>[6]</sup> The partition had a major effect on the country's existing economic infrastructure that disrupted the wholesale transfers of population, trade and business, channels of communication, industrial and commercial organisation, and the pressing need to establish new provisional governments.<sup>[6]</sup> [Economic planning](#) began in 1948 when Prime Minister [Liaquat Ali Khan](#) presented the first Five-Year plans at the [parliament](#) of Pakistan on 8 July 1948. The first plan was conceived by the [Ministry of Finance](#) (MoF), and were studied and developed by the [Economic Coordination Committee](#) (ECC) based on the theory of [Cost-of-production value](#), and also covered [trickle-down](#)

economics.<sup>[6]</sup> As part of this programme, the State Bank of Pakistan was established to give a kickstart to banking services in the country.<sup>[6]</sup> The major economic infrastructure was quickly expanded and the hiring gap was filled as government revenue began to rise.<sup>[6]</sup> The currency war with India following the devaluation of the British Pound Sterling and Indian refusal to recognize the Pakistani rupee in 1949 led to a deadlock in India-Pakistan trade.<sup>[6]</sup>

In the middle of 1950, relations were restored when India and Pakistan resumed trade, and in February 1951, India formally recognized Pakistan's currency after entering in a new trade agreement, but older trade relations were not restored.<sup>[6]</sup> The Korean War brought about an economic boom but growth declined after the assassination of Liaqat Ali Khan in October 1951. Moreover, efforts to continue the programme failed, partly due to inadequate staff officers and lack of ambitions.<sup>[4][6]</sup> In 1953, the programme collapsed when shortages of clothes, medicines and other essential consumer goods arose; there was also a serious food shortage as a result of monsoon floods after 1951.<sup>[6]</sup> Prime Minister Khawaja Nazimuddin was forced to end the programme after requesting economic assistance from the United States and other friendly countries.

### **Second Five-Year Plans (1960–1965)**

Despite the failure of the first five-year plans, the programmes were revived and restated by the military government of President Ayub Khan.<sup>[9][10]</sup> The second five-year plans gave highest priority to heavy industrial development, and advancement in literature and science, and had a single underlying purpose: "to advance the country as far as possible, within the next five years, along the road of these long-range objectives."<sup>[10]</sup> Further improvements were made in railways, communications, and transportation.<sup>[10]</sup> More attention was given to private sector industrial development and agricultural industries; the second five-year plans aimed to increase the national income by 20%.<sup>[10]</sup> The unemployment was tackled with the industrialisation of the country, and overall major industrial development was carried out in West Pakistan while few in East.<sup>[10]</sup> The Second Five-Year Plan surpassed its major goals when all sectors showed substantial growth which also encouraged private entrepreneurs to participate in those activities in which a great deal of profit could be made, while the government acted in those sectors of the economy where private business was reluctant to operate.<sup>[10]</sup>

This mix of private enterprise and social responsibility was hailed as a model that other developing countries could follow. The second five-year plans oversaw the development of water and power utilities in East and West Pakistan and had energy sector built with the help from private-sector.<sup>[11]</sup> The financial services heavily depended on the foreign investment and aid from the United States that bolstered the economy.<sup>[12]</sup> The second five-year plans were a quiet a big success but it was partially due to generous infusions of foreign aid, particularly from the United States. preference of village agro technical program of rural development so that the agro technical production methods may be improved.

### **Q.5 Discuss the role of Karqoram Highway or silk route in the economic development of Pakistan.**

**Karakoram Highway**, Chinese (Pinyin) **Karakorum Gonglu** or (Wade-Giles romanization) **K'a-la-k'un-lun Kung-lu**, also called **Zhongba Gonglu**, roadway that connects Kashgar (Kaxgar) in western Xinjiang Uyghur



Autonomous Region, China, with Islamabad, the capital of Pakistan. The road, which took almost 20 years (1959–78) to complete, extends for about 500 miles (800 km) through some of the most rugged and inaccessible terrain in Asia; it runs through or near the Pamirs, Hindu Kush, Kunlun Mountains, and Karakoram Range. Proceeding southward from Kashgar through western Xinjiang, the highway threads its way through valleys around the towering peaks of the Sarykol Range (at the juncture of the Pamirs and the Kunluns) before crossing into Gilgit-Baltistan (in the Pakistani-administered portion of Kashmir) at Khunjerab (Kunjirap) Pass. The road then winds through deep valleys in the Karakorams until, just east of Gilgit, it reaches the upper Indus River valley. It then follows the Indus down, past the Nanga Parbat massif, until the river breaks out of the mountains, at which point the road veers away and heads generally southward to Islamabad.

The highway was a joint Pakistani and Chinese project and required the skills of about 24,000 workers. Mud slides, rockfalls, and other avalanches were a constant danger, and the road's construction was particularly hampered by the unforeseen movement of glaciers in the region. Even after its completion, the highway continued to require heavy maintenance, but it has had a notable economic impact on the Uyghur, Tajik, and Kyrgyz peoples who inhabit the mountainous region.

The "Friendship Highway" which connects Pakistan and China through the Khunjerab Pass is a modern feat of construction that defies conventional engineering wisdom. Cutting through the rugged mountain ranges of the Himalayas, the Karakorams and the Pamirs, carving its way into terrain which is susceptible to landslides and rock fall, it took over two decades to complete and witnessed the loss of life of hundreds of Pakistani and Chinese workers. Running 1300 km from Islamabad to Kashgar (Kashi in Chinese) it is the highest metal road in the world and traces one of the many routes of the ancient Silk Road.

The Karakorum Highway (KKH) is often called the Eighth Wonder of the World for its elevation and extreme difficulty of construction. The December 1979 issue of the New York Times magazine wrote: "It took twenty years and the life of one worker every mile, to carve through towering mountains, glaciers and isolated valleys to build 500 miles long Karakoram Highway through Pakistan to China." Originally conceived as an all-weather link road between the northern Pakistani cities of Swat and Gilgit, it was first known by the title of the Indus Valley Road when the Army Corps of Engineers began work on it in 1958. In 1966, following the 1965 Indo-Pak war, and in the face of emerging security concerns, it was decided to extend the road to the Chinese border and link it to a road on the other side. The project was named the Karakoram Highway. From then, and up to its completion, there were periods of temporary delays caused by the changing political environment, budgetary constraints and the wars of 1965 and 1971 between India and Pakistan.

Work on the highway in Pakistan was to be completed in two phases: the first of these would oversee the construction of a shingled road from Thakot to Khunjerab, and the second would upgrade it to highway specifications. The first phase was completed by early 1971; however, further progress was temporarily halted when war broke out later that year. After the war, Pakistan was faced with a shortfall of finances and labor, and found itself unable to continue work on its portion of the highway. At Pakistan's request, the Chinese

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Government sent its engineers to assist their Pakistani counterparts in the project. This joint effort resulted in completion of the work in 1978, and on June 18 that year, the highway was inaugurated by the Pakistani President General Zia-ul-Haq and the Chinese Vice Premier Kang Piao. However, it was not opened to the public for another few years.

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Since then it has not only served as a connecting link between the two states, but has opened up a world of new communities hitherto unexplored. The tiny villages that dot the highway had previously existed in isolation for hundreds of years. The KKH opened for the traveler an unexpected plethora of locales, unique in culture and outlook; it also facilitated communication between the villages themselves and gave them representation in the mainstream life of Pakistan.

The Northern Areas began to change as their geographic isolation came to an end. Remote villages, which had lived in a state of disconnect from the rest of the country, witnessed rapid transformations in their socio-cultural setup with the advent of modern communication in their relatively closed off existence.

It also provided an economic boost to them in terms of tourism, increased employment opportunities and bigger markets for their goods. NGOs, in tandem with the government of Pakistan, began making their way into the newly accessible terrain and established programs for rural development that would prove to be especially beneficial for the women and girls of these communities. Health services in the region saw steady improvement, and schools were opened in the more far-flung areas. Parallel to the improvement in physical infrastructure and socio-economic well being, an effort was made to improve agricultural productivity. With greater access to these villages, tourists were able to interact with the local communities and observe first-hand the unique traditions and customs of each one.

The KKH had also been envisioned as a vehicle for fostering people to people contact between the two nations, an objective successfully achieved. Numerous trade ventures were undertaken by Pakistanis and the people of Xinjiang travelling up the Highway. The exchange of goods was accompanied by cultural exchange. In Kashgar, for instance, Pakistani films and music have acquired influence. While in the earlier years Pakistani traders travelling to Xinjiang had only engaged with the local Uighur community, over time they also began travelling directly to other provinces via Xinjiang and cultivated business relationships with the Han community of China as well.

The symbolism of the Karakoram Highway as a tribute to the exceptional relationship between Pakistan and China is as important as is its strategic significance, for it lies at the junction of Pakistan, China, Tajikistan, Afghanistan and India, with a distance of no more than 250 km separating the five. One consequence is that Pakistan has acquired importance as a potential energy corridor, since the shortest and most secure overland connecting route between the landlocked, hydrocarbon-rich Central Asian states, and the Arabian Sea and the Indian Ocean is through Pakistan. Another ramification is that the Pakistani dry port of Sost can act as a channel of trade between the CARs, allowing their exports access to both China and Pakistan. The Central Asian countries and Pakistan are major producers of cotton. This also opens up the possibility of joint cotton and textile projects.

In May 2004, a quadrilateral trade agreement between Pakistan, Kyrgyzstan, Kazakhstan and China, came into effect. It was seen as a means to boost regional trade by using the Karakoram Highway and onward road links through China for the exchange of commodities between Pakistan and Kazakhstan. Road links between

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Kyrgyzstan and Pakistan via the KKH opened up a new panorama of trade between the two countries; large numbers of Pakistani traders travel directly to Bishkek, with Pakistani textile products being a particularly popular item in the Kyrgyz Republic. Tajikistan and Pakistan have recently begun work on a direct land link in the form of the Pakistan-Tajikistan Highway. It would link the Karakoram Highway to the Central Asian capital city of Dushanbe. The Highway is also the route parallel to which the TAPI pipeline linking Turkmenistan, Afghanistan, Pakistan and India will run. Uzbekistan, as far back as 1997, had expressed an interest in using the Andijan-Osh-Irkashtam-Kashgar road link through Pakistan via the Karakoram Highway; more recently, Pakistani Prime Minister Gilani, on the occasion of a meeting with Uzbek President Karimov, expressed Pakistan's desire to include Uzbekistan in the quadrilateral agreement with China, Kyrgyzstan and Kazakhstan, and also offered to facilitate Uzbekistan with the use of the Gwadar and Karachi ports. All these measures, the core of which is formed by the Karakoram Highway, resulted not just in improved trade between Pakistan and the Central Asian nations, but also facilitated Pakistan in taking advantage of their energy resources (Tajikistan, in particular, has showed its willingness for such a venture; the CASA-1000 power project signed in March 2011 aims to transfer 1000 MW of surplus electricity from Tajikistan and Kyrgyzstan to Pakistan). Moreover, these routes will also boost people to people contact through tourism.

An agreement was signed between Pakistan and China in July 2010 for the widening and upgrading of the Karakoram Highway; this would raise the operational capacity three-fold. It has been decided to open four new road links through the Khunjerab Pass, bringing the total number of roads connecting the countries to eight. The Highway not only provides China with enhanced economic influence in Central and West Asia, but also facilitates it with a route towards the waters in the South. As a link to Pakistan's Gwadar Port, it would provide China with vital access to the Arabian Sea and the Indian Ocean.

In January 2010, a series of landslides near the Attabad village in Gilgit-Baltistan spilled over onto 19 km of the Karakoram Highway and blocked the Hunza River, creating a lake at the site. Large sections of the Highway were submerged as a result of the formation of Attabad Lake, which rapidly grew deeper with every passing day. There was a consequent displacement of some 450 families from their homes in Upper Hunza, as large stretches of agricultural land, and with it the physical infrastructure, went underwater, severely disrupting the lives of the locals and leaving them without means of sustenance, dependent on aid from the Pakistani Government and the international community. The emergence of the lake not only led to the supply route from the lower reaches being cut off, but also disrupted cross-border trade between China and Pakistan, as the only means left of navigating across the area is now by boat. The volume of bilateral land trade has suffered a setback to the tune of \$8.7 billion.

Since the overland route between Pakistan and China has been cut off, regional trade has been adversely affected. The Highway is the shortest route from China to the Gwadar Port on the Balochistan coast. If the obstacle caused by the formation of Attabad Lake is not addressed properly, it stands to disrupt the flow of fuel and other commodities to and from West Asia. An agreement worth \$275 million was signed between China

and Pakistan in December 2010 for the repair of the section of the highway damaged by the lake. The surface of the lake was to be lowered by draining the water body and allowing the submerged route to be recovered. However, the engineering work on reducing the water level is making slow progress due to the extreme terrain and severe weather conditions.

In April 2011, the Pakistani government approved an amount of \$25 billion for the expansion of the KKH by the National Highway Authority. It was decided that the submerged section would be relocated and the highway realigned to allow transit trade to resume. In August, a meeting was held at the Presidency, chaired by President Zardari and Prime Minister Gillani to review progress on the work being done. It was announced that a proposal by the China Reconstruction Bridges Corporation (CRBC) for the rehabilitation of the damaged portion of the highway, and the construction of 13 km road, had been accepted by the Pakistani Government. The NHA signed a contract with the CRBC to this effect. The work by the CRBC would only be undertaken once the water level of the lake has been reduced, efforts for which continue at a frantic pace.

The impact of the Karakoram Highway on the trade, communications, cultures and economies of Pakistan and China has proved to be a positive force for the region. The KKH has not only become a practical expression of the ever-strengthening Sino-Pak bilateral ties, but also a conduit for greater economic integration and cooperation within the broader region of Central Asia.