

## Global Imperatives: Challenges and Opportunities

The authenticity of Pakistan's Vision in 2030 would be enhanced if it is embedded within wider trends and events and societal transformations, which are taking place across the globe, and are likely to impact our lives in this century.

The world in 2030 will have some distinctive features. It will have more people than can be effectively sustained by the planet. It will also be very short of affordable energy, ecologically threatened, insecure about food, short of healthy land and water, highly competitive, and over whelmed with information. The world will see great upheavals and singularities in the wake of trend-breaking events in science and technology. It will also be a world where physical proximity is no longer relevant for carrying out human activities, be it international trade, business, education or manufacturing.

Further, climate change and depleting natural resources of water, land and usable energy are bound to increase competition for their access and ownership. This will increase Pakistan's vulnerabilities in its transition towards a high level of sustained growth over the long term.

### 2.1 Challenges and Opportunities for Pakistan

While new challenges emerge, there will be opportunities arising as well, and great rewards for those who can position themselves for competitive advantage. Only those countries, which are competitive and can generate knowledge will be able to steer their own course and decide for themselves; they will acquire wealth and influence, while others will be marginalized. Such nations will also have better control of their own future and sovereignty, whether economically, politically or culturally. *Achieving this state of affairs, must be the driving force for Pakistan.*

Pakistan will face the following major challenges:

- i. **Population:** Pakistan would have the world's fifth largest population with a population ranging between 230 and 260 million, of which 130-140 million are expected to be living in urban areas. This transition will be part of the global population dynamics whereby population will rise from current 6.3 billion to at least 8.2 billion by 2030, and more people will live in cities than rural areas. This has major implications for availability and sustainability of resources needed for mankind to survive.
- ii. **Employment:** Employment generation and matching of skills in a changing workplace will be central to poverty elimination, economic growth, and social stability.

- iii. **Resources:** Natural resources will be severely depleted and stressed, especially water and land. The greatest threat would be faced by the arid parts of the planet, including Pakistan. Assuming that current water consumption patterns continue unabated, projections show that nearly half of the world's projected population will live in water-stressed river basins in 2030. Pakistan, too, is fast approaching the water stress regime, with a storage capacity of only 9 percent of average annual flows compared with a world average of 40 percent.
- iv. **Sustainability:** The battle for biodiversity in the context of mankind's quest for high growth will determine the future of the planet. We will be faced with a growing deficit of inter-generational equity. In the meanwhile, the global crop germplasm is eroding at 1-2 per cent per year, a quarter of our soils are degraded, and even more soil is being destroyed at higher rates than we can retrieve or add.
- v. **Climate Change:** The resource crunch will be aggravated by the looming climate change, whose impact and capacity to de-stabilise the geographical spread and location of human habitats is only just beginning to be understood. Pakistan must prepare to adapt to the coming changes, and mitigate their negative impacts.
- vi. **Food:** Globally, food security will be under threat as much from degraded land and insufficient production, as it will be from a growing demand for different foods and higher nutrition requirements. This problem will be accentuated in the case of Pakistan, with its limited arable land and water, amid rising expectations of its people.
- vii. **Energy:** The world will demand even more energy, on the wave of rapidly growing demand from Asia; it will be in short supply, and may not be affordable. Pakistan too will require enormous amounts of energy to meet its developmental challenges, and to attain and sustain its vision for growth.
- viii. **Rural and Urban Dimensions:** In 2007, more people will live in urban habitats than rural areas for the first time in human history. Pakistan too will face the challenge of managing approximately 80 million more city dwellers by 2030 (which number equals the present population of Punjab). Further, powerful cities will compete with nation states, on the basis of congruence of cluster strengths and a whole new set of economic dynamics, which increases productivity in every sphere. This transition will demand a holistic approach to address the issues of increasing rural non-farming employment and skills, rural-urban complementarities, and linkages to develop balanced hierarchies of settlements.
- ix. **The Race for Talent:** Men and women of talent and skills will be valued and sought after by all nations, driven by changes in the nature of work and the workplace, demands for greater productivity and innovation, and to make up for aging populations. Migration will be common, and no laws will be able to keep talented persons from being lost to other countries where they are valued more.
- x. **Political Aspects:** Governments and societies will be under strain from economic globalisation and the dispersion of technologies, especially information technologies. One result will be that *traditional centres of power* – governments or industrial and business leaders– will no longer be able to digest information fast enough or to make *every* critical decision. *Individuals would have more information* and capacity for information at their fingertips

than most countries or corporations have today. This has implications for governance as a whole. Pakistan will be under pressure politically and socially from other centres of political and economic power in the world, including non-state entities and international organisations. Pakistan would require mature and strong institutions to absorb the positive influences only.

- xi. **Social Aspects:** Globally, societies will move inexorably towards a creeping mono-culture. However, to ensure a fulfilling environment, we must ensure that Pakistanis will lead a richer and better quality life in 2030, within the framework of social justice based on our rich and diverse cultural heritage.
- xii. **Gender Parity:** Attaining gender parity and youth literacy remains a challenge due to large regional variations and low female enrolment in rural areas.
- xiii. **Just Society:** Like all successful nation states in 2030, Pakistan too will continue to be multiethnic, multi-cultural, and multi-religious, and Pakistan would need to effectively manage its transition to a just society and a developed nation. The challenge will be to strengthen social and political institutions, to ensure that any imbalances and social tensions do not hold the country back.
- xiv. **Techno-Economic-Knowledge Revolution:** The ongoing massive economic globalisation and dispersion of information and technology is changing the scale and nature of human enterprise. An important likely consequence of the techno-economic-knowledge revolution is the erosion of equity, in the world, at the same time as the tools for banishing inequity and poverty will become available to mankind. This is likely to be an important challenge for Pakistan.
- xv. **Globally Integrated Economy:** By 2030 economies are likely to diffuse across national boundaries into truly global supply chains, whether in industry, services or ownership. This dispersal of work and strategic linkages across national boundaries, coupled with information integration, and a shift in the technological content of world trade towards high technology, will be the most conspicuous features of the globalised economy of the future. There will be continuing relocation of manufacturing and an increasing share of design and services from the developed countries. Benefiting from relocation activities and investments, and developing into regional or global hubs, would be major challenge for Pakistan.
- xvi. **Markets and Trade Liberalization:** There will be fierce competition in both domestic and external markets. The role of the multinationals and regional supply chains will also have expanded, not only in industry but also in agriculture and services. Pakistan will face a challenge of putting in place the infrastructure, and matching of skills with demand, within the country as well as those of trans-national agents.
- xvii. **Electronically Networked World Economy:** A new economic landscape is being created globally that highlights a shift from geographical industrial clusters to virtual clusters, driven by digital innovation. These clusters are emerging in the new competitive space offered by a Web-based business world, where “how you do business” is more relevant than “where you do business”. For Pakistan it is a challenge to operate the next generation communication networks, which combine convergence with speed, stability, security, and flexibility.
- xviii. **Nature of Work and Workplace:** Several factors are influencing work and employment in the emerging global 24 hour / 7 day societies and economies of

the 21<sup>st</sup> century, but nearly all of them are technology related. Some key features are short product lifecycles, global competition and supply chains, and processes with focus on the entire value chain and not just on internal processes. In addition, countries playing catch-up are also more open to trade (i.e. have a high ratio of exports to GDP).

- xxix. All these factors have resulted in a continuously changing economy, with technology and globalisation influencing what we produce and serve, and how it is done. Pakistan will need to address the challenges of a changing workplace, changing demand for skills, and a flexible gender inclusive workforce.
- xxx. **The Asian Region:** The most abrupt transformation is occurring in Asia which is expected to be the engine of global growth and consumption in the foreseeable future. If some emerging economies in Asia can sustain their growth for several decades, then three of the four largest global economies will probably be Asian in 2030.

Some critical pillars of Vision 2030 are now examined.

The first goal is the attainment of a just society without which prosperity and growth are not sustainable. It will discuss the various deficits and propose means to overcome them.

The second fundamental tenet of Vision 2030 is the establishment of a society which is innovative and productive, and which makes excellence its guiding star. This is the only route to be competitive in the 21<sup>st</sup> Century.

Pakistan's competitors will be other Asian countries, specially during the earlier portion of the Vision period.

Pakistan must embrace globalisation and employ it as a principal tool for economic growth.

Pakistan needs to put in place the infrastructure and matching of skills with demand, within the country as well as those of trans-national agents.

Greater co-operation with Asia will be a key strategy.