False Promises are False Hopes and Symbol of Weak Governance

Pakistan is an Islamic Republic governed under the Constitution of the Islamic Republic of Pakistan, 1973. The Constitution protects the Fundamental Rights of the people and requires every organ of the state, as well as every individual exercising state authority, to act in accordance with the Principles of Policy and constitutional provisions. Any law that is inconsistent with Fundamental Rights is considered void to the extent of that inconsistency. The Constitution therefore embodies the philosophy of protecting citizens' rights and ensuring that state institutions function within constitutional limits.

The elected representatives of the people in the National Assembly/Provincial Assemblies are entrusted with governing the state/provinces and safeguarding the interests of citizens, is a sacred trust. Every person who performs functions on behalf of a state institution or authority is expected to discharge those responsibilities prudently and honestly. Such conduct promotes good governance and transparency, ultimately leading to the welfare and betterment of the people.

Under the Constitution, the President and Provincial Governors are required to present reports yearly before the National and Provincial Assemblies concerning the observance and implementation of the Principles of Policy. Such reporting is intended to promote transparency, accountability, and adherence to the rule of law, both in theory (de jure) and in practice (de facto).

The solution lies in the effective observance and implementation of laws. A distinction exists between:

- **De Jure (in law):** Citizens pay their due taxes and comply with legal obligations.
- **De Facto (in practice):** People often fail to observe the law. Authorities may fail to implement and enforce laws effectively.

Although the Constitution of Pakistan provides a framework for the rule of law, yet the law enforcement ranking of the country is at 129 out of 142 countries as per World Justice Project Rule of Law Index (May 2025). Poor governance is often characterized by unfulfilled promises, weak accountability, corruption and discriminating while implementing laws. Unfulfilled promises are more damaging than corruption as corruption might get the job done at its own terms, whereas false promises may give hopes and only hopes.

Syed Shamim Ahmed, FCMA
Former General Manager Finance
Karachi Port Trust (KPT)

Good governance refers to the wise, honest, transparent, and accountable management of state resources and public affairs. It requires public officials to place the public interest above their personal interests. Achieving good governance ultimately depends upon effective, ethical, and visionary leadership. Good governance is to be proactive and taking care before it ends at curing after the damage has been done. All it needs is a steelframe leadership.

The present condition of the country presents a gloomy picture. Beside, increasing public debts, which reportedly exceeded Rs. 90 trillion in May 2026, concerns remain regarding whether public officials and institutions are performing their duties with the required level of accountability, honesty, and efficiency as enumciated by the Constitution.

Pakistan has been blessed with abundant natural resources, enough to qualify as a developed nation. Yet it remains among the weaker and poorer countries. Frankly, this situation has arisen because of fragile governance and weak management. In other words, our failures stem from two major problems: nepotism and procrastination.

- **Pakistan's foreign debt** is approximately US$130 billion, of which IMF lending constitutes an insignificant portion of $7.7 billion (6.4%) yet IMF directives on financial and economic matters cannot be ignored. Other major donors often follow the IMF's lead because of its credibility. The IMF has repeatedly advised Pakistan to improve financial governance by increasing revenues and controlling public-sector expenditures.

However, little noticeable improvement has occurred, apart from advancing the budget preparation schedule by one month to allow more time for planning, review, and consultation with stakeholders. The IMF has also encouraged budget digitalization to avoid policy slippages and improve reporting. A 10 percent reduction was made in the Public Sector Development Programme by eliminating low-priority projects. Despite numerous reform initiatives, tax collection and poverty alleviation remain major challenges.

There is a widespread perception that federal and provincial budgets are prepared under IMF guidance. Budget proposals are often not made available to parliamentarians in sufficient time for review and comments. Important details relating to defense expenditures and debt obligations are also not fully disclosed. Provincial budgets tend to be less transparent. The IMF has therefore pushed for greater clarity, especially regarding the division of responsibilities between the federal and provincial governments under the 18th Constitutional Amendment, along with measures for monetary control and burden-sharing.

In November, 2025 IMF reported on country 's corruption that during the last two years NAB recovered Rs. 5.3 trillion. IMF gave a 15 -point reform plan plus 142 -point governance plan with blunt remarks like failure of implementation of laws and accountability gives vested interest too often free rein gulping 5-6 percent of GDP annually. This is the type of governance the country has.

- **Debt** itself is not necessarily harmful if it is used productively. Many advanced countries carry substantial debt burdens but utilize borrowed funds for development projects that generate long-term benefits. In Pakistan, however, debt is frequently used to finance budget deficits. By May 2026, the country's total debt had reached approximately Rs. 90 trillion, representing around 75 percent of GDP, whereas the Fiscal Responsibility and Debt Limitation Act envisaged a lower debt level of about 60 percent of GDP. Debts are still rising reportedly Rs. 20 billion per day. A large share of the budget is spent on debt servicing. Nearly half of the 2026 budget is allocated to servicing existing debt, while new borrowing continues. Treasury Bills worth approximately Rs. 3.5 trillion are auctioned regularly, and circular debt in the power sector has risen to around Rs. 2.6 trillion.

To improve transparency, the State Bank now releases monthly data on public debt and debt servicing. Government guarantees are also reported. These transparency measures, encouraged by the IMF, have improved public access to information.

- Pakistan has 217 **state-owned enterprises (SOEs),** employing more than half a million people, with combined assets valued at approximately Rs. 38 trillion. However, they collectively incur annual losses exceeding Rs. 800 billion, funded by taxpayers. The primary causes include favoritism in appointments and delays in decision-making. Since the publication of the SOE Portfolio Report in 2023, information regarding losses, subsidies, and government guarantees has become more accessible. Reforms have included independent boards, merit-based appointments of CEOs, audit committees, and quarterly reports on the largest loss-making enterprises. A central monitoring unit has also been established to oversee these affairs.

Furthermore, audit objections raised by the Auditor General of Pakistan should be addressed promptly. Political interference must be minimized. Privatization efforts, including those related to Pakistan International Airlines, should be completed without delay. Steel mill is closed since 2015, yet the issues of liabilities, land matters, theft of machinery and other valuables worth crores of ruppes posing a big challenge. DISCOs and K-Electric, facing illegal power use through KUNDAS together with line losses and weak distribution infrastructure, must handle these unfair practices with strong hands and without any political interference. Regarding infrastructure it must be improved with complete vigilant planning keeping in mind the expanding solar use. If all of this is done, this would immediately stop the annual loss of Rs. 800 billion or even more. Efficient working of these SOEs would start contributing a good amount of income to the national excheaquer, and the products and services they provide would definitely be improved in quality at affordable prices.

- Pakistan hardly contributes less than one percent to **climate change** but faces huge losses as a result of global warming. Only during 2022 flood, the country faced widespread devastation. The death toll was 1,740 people, around 12,900 were injured, and 33 million people were affected. Crops on 4.4 million acres were lost, livestock deaths reached about 1.2 million, setbacks exceeded $30 billion, and economic losses were up to $16 billion.

At Geneva during 2023, a sum of $10.56 billion was pledged for “Resilient Pakistan” under the 4RF Plan. However, only about $4 billion had been received by May 2026. These physical losses were in addition to the suffering, pain, and mental distress endured by the people of affected areas, who spent months after the floods waiting for rehabilitation in helpless conditions.

Rain and glacier melting are natural phenomena and generally occur during monsoon periods. The excess water flowing down to the plains could be managed for better usage in agriculture and for producing electricity, thereby avoiding floods. Therefore, floods causing damage to lives and property are a result of poor governance through deforestation, uncontrolled construction and use of kacha plains, inadequate conservation of excess water, shortages of dams, and blockage of rainwater drainage systems, especially in cities.

On the other hand, Pakistan is among the most water-scarce countries. Water availability per capita, which was about 5,000 cubic meters during the 1950s, has dropped to around 800 cubic meters. The groundwater level is falling by about 1–3 feet annually. Water pollution is another major issue, where around 80 percent of industrial waste and 40 percent of untreated sewage water flows into rivers, making agricultural and drinking water harmful.

Air pollution and smog are products of smoke-emitting factories and transport, spreading environmental hazards.

Prevention is better than cure. Preventive measures cost four to seven times less than remedial action. Good governance is far cheaper than poor governance.

Conclusion

"Time is money" is a billion-dollar quote the world always remembers and excels ahead. Japan has been the maximum beneficiary with its practical use. On the other hand, we keep ourselves aloof from these golden words as a society and especially in our public sector, where passing the buck, red-tapism, forming committees, etc., are the name of the game, causing delays and loss of money. Every public sector project is a victim of this approach. Bhasha Dam and Karachi Bulk Water Supply K-4 projects are the leading examples.

Our Constitution has since manifested all the possibilities for rule of law, fundamental rights, and setting up the principles, making every individual accountable while performing his functions on behalf of the organs of the state, transparently and efficiently, and would not allow his personal interests to influence his official conduct. This is the De Jure position.

A good governance system is always proactive and takes action well before a matter turns into a problem, causing more damage and costing far more. We have some very valuable natural resources awaiting action and fast action, but our "no time value" approach is stopping us from reaping the benefits of these gold mines:

- Mountains and glaciers. Precious water is going into the sea and we lose around $200 billion yearly and hydropower opportunities of about 60,000 MW.
- Jhimpeer and offshore wind, about 40,000 MW plus 25,000 MW.
- Precious minerals in Balochistan worth $5–6 trillion.

And many other such untapped treasures are waiting for some prudent leadership to encash all these opportunities on a priority basis.

Careful water management would boost the agriculture sector in just a few months. Supporting solar and wind energy would ease our power crisis, especially the huge burden of electricity payments to IPPs. The use of proper government authority against deforestation, smoke-emitting industry and transport, uncontrolled solid waste spread, and sewage overflow, etc., is essential. All these are the De Facto parts.

"The buck stops here — The Good Governance"

About the Authors:* *Syed Shamim Ahmed *is a senior Chartered Management Accountant having Fellow membership of ICMA. He retired as General Manager Finance from the Karachi Port Trust (KPT) where he served for around 22 years in different positions. He was also a member of the Karachi Dock Labour Board for 7 years. After doing his MBA from IBA Karachi, he started his initial career with Citibank and then served in Awami Autos (now Pak Suzuki).*