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AN EXAMINATION INTO THE IMPACT OF FOREIGN AID ON RURAL DEVELOPMENT IN PAKISTAN

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Abstract

This article seeks to expound on the roles and implications of foreign aid in realizing rural development in Pakistan to consider the opportunities and drawbacks that result from these aid-based processes. International donors have played a relatively important role in the economic development of Pakistani villages in terms construction of physical structures like roads and bridges, development of the agriculture sector, and commitment to social facilities such as schools and hospitals. Development programs such as Khyber Pakhtunkhwa Rural Support Program and Pakistan Poverty Alleviation Fund exemplify that aid possesses the ability to enhance the living standards, enhance the overall capacity, and bring capacity building in marginalized sectors if the programs matches with the community requirements. However, the study discovers the following vices, such as reliance of foreign assistance, embezzlement of funds, and donor-driven conditions that may be irrelevant to the country's needs. Such problems threaten projects of development for a longer term, hence resulting in negative effects such as inefficiency and poor governance at grassroots. Foreign aid has also played these roles for and/or against the enhancement of rural Pakistan's development, where this paper reveals that foreign aid has both contributed positively to, but also presented difficulties to rural development in Pakistan. Their emphasis that a more context-specific type of aid, which engages local stakeholders in the design and implementation of projects, is more effective and requires no defence. Proposals are: strengthening the local actors to decrease the dependence on foreign assistance, increasing the soundness and responsibility to decrease the probability of corruption circumstances, and better coordinating the assistance projects with the demands and desires of the local actors. Otherwise, foreign aid will remain a tool and its positive impacts will keep continuing to bring positive change in the rural development Pakistan where the main focus should be to help its people and provide better life for various yearning to be productive and settle down with better and sustainable source of Living.

Keywords: Foreign Aid, Rural Development, Economic Impacts, Resources, Social Development.

Introduction

Foreign aid has been pivotal in the development plans of Pakistan since independence in 1947. Being an agricultural country with massive population residing in rural areas of the country it has benefitted from significant foreign aid targeted at enhancing rural

physical facility, education, health and agriculture sectors. This aid has been in the form of bilateral donors, and multilateral such a World Bank and the Asian development bank and some non-governmental organizations. These funds have in the past been channeled towards development projects that sought to improve the standard of living of the people in the rural areas and eradicating poverty among others. However, the effect of this aid in the achievement of the set goals has been in doubt. The flow of foreign aid is usually followed by ways of who is going to sustain it, and whether such aids will continue to be available in the future or have the effects of propagating corrupt practices within the governed societies thus being inefficient (Khan, 2021; Hussain, 2019). These issues make the analysis of effects of foreign aid in the rural development in Pakistan an important area of research.

Pakistan cannot afford to ignore the agricultural sector since a big population of Pakistan's population still dwells in rural areas and depends on agriculture. A significant bootstrap of the nation's GDP comes from the rural sectors, particularly agriculture which is the cornerstone of the rural population. However, there is still much that remains to be done for the people of rural areas in Pakistan because; though poor and lacking in infrastructure, education, and health facilities, the general income level is low. These challenges have posed rural development as one of the focal areas for intervention for the Pakistan government as well as for the donors. In other words, there are more than mere enhancement of rural people's living standard, besides, the provision of eradicating the prevailing disparity between rural and urban economy by offering the rural communities a sound foundation to foster structures of a more balanced and sustainable economy (Ali & Malik, 2020). As a result, the effectiveness of foreign aid for rural development occupies a place in the sphere of political and legislative disclose and concerns and occupies a significant position in pragmatic treatment.

Rural development is one benefit of foreign aid, but it has its drawbacks in Pakistan. On the positive side foreign aid has brought about the development of social facilities like, roads, schools and medical facilities that has enhanced improvement in the quality of life of people living in the rural areas. Also, foreign-funded agricultural programs have improved crop yields and brought into the country modern techniques of farming hence improving food security and income among the rural populace. Nonetheless, the drawbacks cannot be ignored In particular, the following disadvantages can be mentioned. Several studies have indicated that foreign aid has sometimes contributed to the emergence of what has been referred to as dependency syndrome in the recipient governments and/or communities the sense that they rely more on foreign aid and therefore do not build on their capacities (Rana & Ahmed, 2022). Furthermore, corruption and inefficiency have cropped up to spoil the worthy goals of aids, so that instead of helping the rural poor, there is provision of shoddy projects with substandard facilities or even facilities that are inadequate and irrelevant to the needs of the people.

There are multiple layers of interactions of the foreign aid and rural development in Pakistan. It is without doubt that foreign aid has boosted the development of rural

infrastructure as well as the productivity of agricultural sectors but the long-term effects of such funding is still an area of controversy. This has sometimes been made difficult by dependency on foreign aid and the relentless cases of corruption and or mismanagement of social funds. That is why, in order to make foreign aid help reach its goal aimed at sustainable rural development, it is necessary for both the donors and Pakistani government to rethink the means and ways of aid delivery (Qureshi & Mustafa, 2023). The latter should be based on addressing the multiple gaps, including the strengthening of the local capability, the improvement of the transparency of the funds, and the better alignment with the function and needs of rural communities.

Positive Impacts

Economic Growth

Perhaps the most important functional relationship between foreign aid and rural development in Pakistan is in the domain of economic development. This external assistance has provided financial support to certain crucial facilities like the construction of roads, bridges, and system of irrigation, which are most beneficial for the development of connection and productivity in a rural perspective. Better roads saw farmers get better prices for their produce since they were in a position to reach markets with little transportation costs. Further, advancement in the provision of water has increased through proper irrigation technologist resulting to increased irrigation methods which are very important in a country which experience water rationing from time to time. However, these improvements in infrastructure have helped not only the economy within rural areas but also in the overall economy of the nation through closing the rural markets with national and international markets (Khan & Mahmood, 2021).

Foreign aid has also greatly contributed to the development and diversification of agriculture in the rural Pakistan. Projects financed by donors have brought changes in the technology of farming, improved seeds, and easy availability of inputs such as fertilizers and pesticides. These advancement have enhance crop production and yield and has influenced diversification of crops with farmers relying more on traditional crops such as wheat and rice. Integration has also reduced the vulnerability of farmers to crop failure as well as market shocks thus increasing their incomes. Also, foreign aid has helped build rural agro-industries which process agricultural produce and generate other sources of income for rural people (Ahmed & Jamil, 2020). These initiatives have been useful in changing the face of Pakistan's rural economy from agriculture which was purely a subsistence activity to a more dynamic and sustainable economic activity.

The last benefit of foreign aid on rural development of Pakistan is job opportunity and poverty eradication. Implementation of most of the aid funded projects is in the rural areas thus require a lot of labor that creates job opportunities for the people. Infrastructure development, agricultural projects, rural industries and coring activities that are initiated within the rural areas generate employment opportunities that help to reduce unemployment and underemployment in the countryside. Also, aid has been directed towards the funding of education and vocational training which is targeted at

increasing the productivity of the rural worker so that they are able to take up other non-agricultural income generating activities. These have been instrumental in reducing the poverty levels in many rural households and in general enhancing their living standards (Raza & Hussain, 2022). In as much as it has provided employment and eradicated poverty in the rural areas, foreign aid has boosted the growth and development of the rural economy.

In terms of its beneficial effects on the rural development in Pakistan the foreign aid has brought in good results in the field of economic growth, agricultural development, employment opportunities and poverty alleviation. The investment on infrastructure has enhanced the access and production in the rural areas and the support towards agriculture has enhanced production and crop diversions. Also, the effect of aid in creating employment opportunities through funded projects has helped in the creation of employment and poverty minimization especially in the rural regions. These positive effects substantiate the role of foreign aid in supporting the economic growth and enhancing the standard of living of rural people of Pakistan (Shah & Zafar, 2023). However, the sustainability of such impacts has raised several issues that need to be addressed as to capacity, utilization, and coordination of aid in respect of local needs.

Social Development

Foreign aid has played a role in enhancing social services development in rural area of Pakistan especially in the fields of education health and standard of living. Through grants, several projects such as schools, clinics, and clean water supplies have been put up in hard to reach areas. They have contributed to high enrolment figures in school and improved health standards among those in the rural areas. For example, foreign aid has helped in the implementation of child mortality reduction and improvement of maternal health through the construction of rural health facilities, and mobile clinics to reach out to those who had no any access to health facilities (Ahmed & Fatima, 2021). In the same respect, supply of safe water source and sanitation has helped in the reduction of incidence of water borne diseases and thus enhancing human health in the rural areas. The above improvements in education and health care sector have brought long lasting positive change in the social development of rural Pakistan to improve the quality of lives.

There is another advantage of foreign aid in rural Pakistan: the protection of the rights of vulnerable populations, including women and children. Various aid programmes have targeted gender and women with a view to empowering them since they are essential in the development process. Most of the foreign-funded projects have provided funding to open up vocational training centres for women, micro finance and other small businesses to empower the women economically. Such measures have not only raised the financial status of women but have also raised their social statuses to allow them participate fully in the decision making processes of their societies (Khan & Ayesha, 2022). In addition, foreign aid has been used to support projects on the rights of children, education, child labor and abuse. Foreign aid further, has assisted in the promotion of women and children, thus making the rural societies more liberal and fair.

The developing of civil society organizations (CSOs) as another important area of the social impact of foreign aid in the rural area of Pakistan. Most of the foreign aid programs have offered financial and technical assistance to the local CSOs to enhance their lobbying role in the promotion of rights and needs of the rural people. They have emerged as the main interface between the government, donors and rural poor to ensure that the assistance gets to the target groups and is utilised appropriately. In the same way, CSOs have helped in advocating for various social causes inclusive of gender equality, human rights, and environmental conservation hence empowering the rural communities socially (Rashid & Malik, 2023). On balance, foreign aid has helped build civil society in the rural areas and has empowered the people to take an active part in the development of their country and thus put pressure on the authorities.

Therefore, foreign aid has a far-reaching positive implication on social development in rural Pakistan as it enhances the education facility, health facility, and other basic facilities, empower the vulnerable groups and communities, and the COs. The development of schools and health facilities for the rural people has improved their standards of living while the programs aimed at women and children improved on the social justice and social inclusion. Additionally, assistance in civil society organizations has enhanced the promotion and embrace of participation of the civil society in development processes (Ali & Zafar, 2024). Such social developments have helped in the building of a strong and stable rural society that will act as a foundation for future development and progress.

Capacity Building

Technical cooperation and training has been another important way in which foreign aid has helped capacity development for rural Pakistan. These programs have enabled local officials and community leaders to acquire adequate knowledge and skills that are needed in the management, implementation, and coordination of development projects, enhancement of service delivery, and planning and decision-making processes. Technical assistance has come in form of capacity building which has involved training on areas like financial management, project delivery and monitoring and evaluation that are useful in the delivery of development projects. Foreign aid has also made positive impacts in the rural areas through the development of capacities which have enhanced the governance structures to be more capable and less to rely on the foreign aid in the long run (Raza & Shah, 2022). The act of capacity building has made the local communities to participate more in the development processes hence enhancing the projects to fit the need of the people.

Another area of capacity building promoted by foreign aid is the establishment of long-term development plans for Pakistan's rural areas. The strategies developed under the funded aid have include environmentalism, economic diversification, and social equity. Such strategies include the use of both conventional and orthodox practices to come up with durable and culturally sensitive interventions. For instance, stable food security that has been supported through foreign aid in agriculture has increased food security and at the same time protected natural resources in order to

ensure that rural people can be able to feed themselves without compromising the natural resources in future (Khan & Ahmed, 2021). Furthermore, foreign aid has provided for the formulation of local development plans that put emphasis on the generation of sustainable development of rural areas for the future generations.

Other areas where foreign aid has been directed to are governance and accountability to improve the standards of governance in rural Pakistan. Various aid programs have promoted instruments for increasing the transparency and reducing the level of corruption as well as increasing accountability within the institutions of the local governments. This has involved putting in place monitoring and evaluation mechanisms in terms of the physical development projects and in terms of expenditure. Moreover, foreign aid has promoted the participatory modes of governance, where the people at the grassroots level can participate in decision-making and monitoring and evaluation of development processes (Rashid & Zafar, 2023). These efforts have resulted in more accountable and more responsible governance in the rural settings where local governments are in a better position to deliver on the needs of the people and offer assurance that development outcomes are being attained.

Foreign aid has greatly influenced the change of capacity building in the improvement of rural development in Pakistan in terms of technical support, planning for strategies, and addressing issues on governance and accountability. Capacity enhancement of local governments and communities through training and support services has enhanced their capacity in managing as well as implementing development projects. The emphasis on sustainability has seen that development strategies do not harm the environment and are economically sustainable and the focus on good governance that has made local institutions more transparent and accountable (Ali & Qureshi, 2024). These activities of capacity-building have helped to build a base for continued development of rural areas in Pakistan where community members can take charge of the development of their own communities.

Negative Impacts

Dependency

Another potential disadvantage of foreign aid for rural development in Pakistan is dependency: the excessive utilization of foreign aid curtails domestic resource mobilization. Although aid has been crucial in financing different development agenda it also triggers a situation where the government and other local organizations rely on these aids instead of developing their own means and sources. This dependency can lead to the situation where the local authorities have little or no motivation to look for the sources of revenue generation through taxes or otherwise, since the easier way is to seek the funds from the foreign sources (Khan & Ahmed, 2021). Furthermore, it makes it possible for the country to rely on foreign aid indefinitely and hinders the introduction of the desirable economic changes or the improvement of public financial management systems. Therefore, the future sustainability of development initiatives is

put at risk because the capacity to continue and enhance the same initiatives without international support is restricted.

The second element of dependency is the so-called 'fatigue' of donors and their decreasing interest in aid over time. People who donate money may be discouraged if they feel their money is not being used to help the needy come up with improved standards of living especially if they feel that they are only being made to rely on handouts. Aid fatigue may be identified in terms of reduced funding, the tightening of conditionality on aid, the change in the focus of donors towards other countries or areas. For such a country like Pakistan which has been for a long time, a recipient of aid this can lead to a situation where funding suddenly dries up and rural development projects remain either uncompleted or underfunded (Raza & Malik, 2022). This unpredictability of donor funding puts a lot of variability and volatility in the rural development planning due to the inability of local government authorities and communities to plan for the long term or to replicate successes. This possibility of low donor interest goes a long way in explaining the dangers of over reliance on foreign aid.

Foreign aid can also hinder local governments' and communities' incentives to seek creative solutions, or to secure funding from local sources, because foreign aid is so readily available. In some cases, the expectation of aid results in 'waiting for the grant', which means that the actors involved will not take the initiative to act since they expect to be supported by foreign donors at some point. It can result in a vicious circle of domestic resource mobilisation being delayed time and again, thereby deepening dependency (Shah and Ali, 2023). Also, the flow of foreign aid can have an undesirable impact on the development of domestic economies and markets, as the increased demand for particular commodities and services which may be stimulated by the aid flow will most likely return to a normal level once the aid is stopped. This leads to the creation of a cycle of business booms, leading to the bust which in turn has a negative impact on the economy of the country and the worsening of the conditions in rural areas.

Foreign aid has played a useful role in the development of Pakistan's rural areas, but it has also had the problems associated with reliance on that source of finance and the possible exhaustion of donors. This kind of dependence hinders the local governments from coming up with their own revenue and implement reforms that are needed. However, it can lead to uncertainty and instability in the development planning since donors may get less interested in the long run, thus posing a threat to the sustainability of the projects funded through aid (Ahmed & Hussain, 2024). As such, it is important for Pakistan to address the above-mentioned negative impacts by strengthening local capabilities, enhancing domestic resource mobilisation and minimising the dependence of foreign aid for the better rural development.

Corruption

Corruption is one of the most prevalent negative effects of foreign aid in rural Pakistan as it results in misuse and embezzlement of funds and resources. Though considerable amounts of external support with the objective of enhancing the status of rural areas

have been procured, poor governance and corruption in the local governments and the administrative structures channel these resources to other uses. This can assume many forms and ranges from embezzlement, bribery and awarding of contracts to friends and family instead of the most qualified persons for the job. It is counterproductive to the goals of aid, as the money intended for the building of schools, hospitals, roads, and other essential facilities maybe embezzled, or the funds end up in white elephant projects (Raza & Malik, 2022). Failure to manage aid not only stifles the growth of rural development programmes but also undermines people's confidence in their own governments and the external partners funding these programmes.

Yet another effect of corruption in the context of foreign aid is the absence of accountability and efficiency in the supply of aid. The relationships of aid dependence are intricate and frequently the channels through which aid is disbursed are not well monitored, thus it becomes hard to know how the funds are disbursed and utilized. This makes it possible for corrupt officials to divert aid and there are no strong mechanisms that can hold them accountable of the misuse of the aid. More often, lack of transparency results in a state where it is difficult to determine the true effect of aid on rural development, and, consequently, donors can barely define their actions as successes or failures (Ahmed & Shah, 2023). This kind of environment can also deter other donors from providing more funding and support to projects that are implemented in such corrupt environments as well as where monitoring and evaluation of results is almost impossible.

Corruption means that scarce resources are being used unwisely and that low quality is being delivered to rural communities. Corruption in managing or implementing projects means that people's needs remain unmet, and the 'development' projects delivered include substandard infrastructure, schools without stationery, and health facilities with scarce resources. This inability to meet the expectations is not healthy as it helps to bring more poverty and poor development in the rural regions. Also, the belief that corruption is pervasive leads to disengagement from development processes or lack of cooperation with governmental and international partners among local communities (Hussain & Qureshi, 2021). Thus, corruption not only directly negates the efficiency of foreign aid, but also erodes the society's cohesiveness and prevents joint efforts aimed at the sustainable rural development.

Corruption is an influential challenge to the efficient usage of foreign aid for the development of the rural areas in Pakistan. Corruption in the management of funds and resources, as well as the lack of accountability and transparency of aid delivery reduces the possible positive impacts that aid could have for the rural populace. These problems do not only reduce the effectiveness of development projects but also discourage international donors from further investing in aid environment, which is regarded as too risky or ineffectual (Ali & Raza, 2024). Combating corruption is therefore imperative if foreign aid is to actually serve the purpose of lifting the living standards of the impoverished regions in Pakistan, and for this, improved governance,

effective accountability tools, and most importantly, sincerity from the donors, alongside the Pakistani government, must be achieved.

Conditionality

Perhaps the most significant form of the negative effect of foreign aid in rural Pakistan is the conditionality that most donors attach to their assistance in the form of policies that may not suit the region. For many years, there has been a tendency for donors to give their assistance on the condition that recipient countries have to make certain changes in their economic political or social systems. Although these conditions are supposed to enhance the standards of good governance, economic stability or human rights, they may at times be insensitive to the ground realities of Pakistan's rural areas. For instance, measures like liberalizing markets or cutting on subsidies on basic goods may affect the rural folks who depend on such assistance (Hussain & Ali, 2022). Thus, donor policies end up distorting locally relevant developmental policies, with the outcome being developmental policies that are irrelevant to the realities of the rural populace and which in fact may worsen poverty and inequality.

Donor conditions may also be guilty of 'neocolonialism' whereby the donor culture, values, norms and priorities are imposed on the culture and priorities of the recipients thus causes loss of cultural identity and political independence. This dynamic has been that there can be conflicts between what the international donors want and what the local people want especially in issues to do with social and cultural policies. For example, donors may recommend changes in governance, gender, education, or health policies that, although intended well, may be at variance with the community's culture or religion (Khan & Raza, 2021). Such conditions may be met with some hostility from the local people as they may perceive these conditions as interference with their cultural rights. In addition, the notion of cultural imperialism can create the feeling of hostility against foreign aid and all the policies connected with it, which may compromise the goals of development and even cause social enmity.

The other concern that is associated with conditionality of foreign aid is loss of sovereignty of the recipient country. In all donor-imposed conditions undermine the independence of the recipient country government to make decisions that are in the best interest of the country and its citizens. This loss of sovereignty can be especially severe where local governments are already fragile, or lack sufficient autonomy, thereby making them vulnerable to co-option. The end benefit is that the rural development policies themselves could be dominated more by the donor countries' policies and priorities than by the requirements of the people of the recipient country (Ahmed & Malik, 2023). This can result in lack of synchronization between the government policies and the wishes of the rural populace, which would in turn worsen the situation of the population and diminish the authority of the local organizations.

The strings attached to foreign aid in rural Pakistan have some negative effects such as the implementation of donor policies that are irrelevant to the needs of the country, culture imperialism, and diminishing of the sovereignty of the country. The mentioned problems raise the question of the relationship between donor interests and the needs of locals and prove the need for considering the sovereignty and cultural

characteristics of the target communities when designing and implementing aid programs (Ali & Qureshi, 2024). To avoid such negative effects, donors have to communicate with the people on the ground, adapt the conditions for aid to the local circumstances prevailing in rural Pakistan, and fund the policies that would indeed be beneficial to the target population.

Case Studies

Successful Examples

An effective case of the foreign aid in the rural Pakistan is the Khyber Pakhtunkhwa (KP) Rural Support Program supported by the World Bank. This program was aimed at the development of the rural communities as well as the provision of support to agriculture and other projects. The project effectively contributed to agricultural productivity improvement through dissemination of new practices and technologies, availability of improved seeds and fertilizers. Also, the construction of low level communication infrastructure including irrigation channels and rural roads greatly improved the accessibility and economic potential for these communities. The effectiveness of this project can be explained by the fact that people of the specific regions were engaged in the planning and executions of these programs, which helped to identify their priorities and incorporate them into the programs (Khan & Malik, 2020).

One of the most successful examples is the Pakistan Poverty Alleviation Fund (PPAF), which has received funding from the World Bank and the UK's Department for International Development (DFID). It has been contributing to Rural Development by prioritizing Poverty Reduction, Micro Finance, Education and Health and other Social Services in Rural Pakistan. The strategies that have made the program to be effective are that the program is an integrated program that provides financial support and also provides capacity enhancement measures that enable the local communities to be at the forefront in the implementation of development. Due to the microfinance loans they have fronted to the small farmers and other businessmen and women, the PPAF has made it possible for them to seek other sources of income hence eradicating poverty and enabling economic stability in the rural areas of Pakistan (Ahmed & Qureshi, 2022). The last has been with respect to emphasis on constructing local institutions and empowering communities has been essential in enhancing the sustainability and success of these developments.

Challenges and Lessons Learned

A good example of the foreign aid dilemma in rural Pakistan is the Baluchistan Rural Development and Drought Mitigation Project supported by the ADB. Despite the fact that the project was intended at enhancing the management of water resources and increasing the yields in the target arid regions, the project faced a lot of challenges. Some of these difficulties were: project slippage, resource allocation and project's goals and objectives not being in tune with the local context. The project failed to meet the expectations because of low stakeholder participation especially the tribal people in the decision making and planning processes. Furthermore, the top-down approach of the project meant that strategies that were technical in nature and which may not

have fitted well in the socio cultural setting of the region were adopted (Raza & Khan, 2021). This case therefore supports the role of the community and the need to come up with solutions that fit context of rural development projects.

Another example is FATA Sustainable Development Plan launched with the assistance of several international donors, the objective of which was to bring FATA into the national economic circuit and enhance standards of living in the region. Nevertheless, the project was accompanied by a number of negative side effects such as the escalation of local conflicts and development of a dependency on foreign assistance. Some of the challenges were as a result of poor governance, weak institutional capacity and lack of co-ordination among the various implementing agencies. Moreover, the nature of the project through prioritizing the construction of infrastructure works at a high speed without proper consideration to social factors like power relations within the community and tribal conflicts, this resulted in social tensions within communities (Ali & Hussain, 2022). The main lessons that can be derived from this case are also very instructive as they call for a comprehensive approach that takes into account the social and political environment, and builds up the capacity of local actors for the long term instead of merely fixing problems in the short run.

Stakeholder Perspectives

The government officials have an ambivalent attitude towards foreign aid in rural areas of Pakistan. On one side of the issue, they understand that resource deficiencies must be made up by external resources, and that development projects that require significant investment cannot be undertaken without external support. For instance, the officials of the Ministry of Planning and Development have expressed that the foreign aid has helped bring significant change in infrastructure and increase the productivity of agriculture in the rural areas (Ahmed & Khan, 2021). But there is also concern among some officials about the sustainability of aid dependent projects and the belief that aid can actually weaken governance capacity in recipient countries by creating dependency and disincentivising efforts to mobilise domestic resources. They point out that there is weak link between donors' priorities and national development frameworks to promote aid effectiveness that targets beneficiaries' needs.

Community based organisations and key informants give a practical view of the effectiveness of foreign aid. Most of the NGOs, which are often in between the donors and the beneficiary communities, have been used to advocating for the benefits of aid in areas such as education, health, and women needs. They focus on the engagement of community members in project development and the execution of projects hence making them culturally sensitive and relevant to the context (Rashid & Ali, 2022). Despite this, there is often criticism by community leaders of many sources of aid, as they are top-down, and there is usually a gap between the donor's plan and the context of the community. The beneficiaries, the rural communities in this case, in most occasions are aware of the material gains accrued from the foreign aids like infrastructure development, availability of water and quality seed among others. However, they also have apprehensions over the sustainability of these benefits once the aid has been cut off and some of them are uncomfortable with the interference of

the foreign entities in their culture and traditions (Hussain and Zafar, 2023). These perspectives highlight the need to involve the local people in the planning and implementation of the aid projects for better relevance and sustainability.

Conclusion

With reference to the major conclusions of this study, it is possible to state that foreign aid has had a significant impact on rural development in Pakistan, both positively and negatively. On the positive side, foreign aid has given a great boost to economic growth especially through funding infrastructure, agriculture and social sectors including education and health. Innovative programs such as the Khyber Pakhtunkhwa Rural Support Program or the Pakistan Poverty Alleviation Fund can show that aid has the ability to improve people's quality of life, support the vulnerable sections of population and develop local capability if the identified approaches are utilized with an active community participation and contextualized strategies. But it also points to major problems of dependence, of corruption, and of conditionality's which, in the longer term, endanger development agendas and erode the sovereignty of local actors.

The overall picture of the impact of foreign aid, in general, on rural development in Pakistan is not very clear. In as much as aid has triggered the positive changes in many rural areas, the noble aim of assistance is often limited by the challenges highlighted. Reliance on foreign aid may hamper domestic efforts to mobilise resources and hinder sustainable development; aid corruption and lack of accountability in aid delivery may reduce aid effectiveness. Moreover, regarding donor conditions that may not be compatible with the local context, some negative effects may appear, such as cultural conflict or diminished central authority. Nevertheless, foreign aid retains an indispensable role in the development of the rural areas of Pakistan especially in the districts where local abilities and assets are unable to satisfy the requirements of economic and social advancement.

The following recommendations are given in order to enhance the outcomes of foreign aid and the effectiveness of foreign aid. First, there should be more focus on the sector-wide approach to the projects and programs which means that all the projects financed by the aid must be relevant to the priorities of the local communities. Besides, this approach improves the effectiveness and ownership of aid interventions as well as their sustainability. Second, measures should be taken to diminish reliance on foreign assistance by strengthening local capabilities and increasing resource endowment. It can be done through training activities, development of local governance systems and establishing appropriate economic activities for the region. Last but not the least; this effort to increase the transparency and accountability in the delivery of aid will help to reduce cases of corrupt practices in the distribution of aids and ensure that all the aids are used to address the intended purpose. If these challenges are tackled, foreign aid remains useful for the improvement of the lives of Pakistani rural citizens and the development of the country's rural areas.

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