PROPERTY RIGHTS ALLIANCE

PROSPERITY ▲▼ FREEDOM ▲▼ INNOVATION

INTERNATIONAL PROPERTY RIGHTS INDEX 2026

Property and Prosperity - A Case Study of Pakistan

CASE STUDY

SUMAIRA WASEEM, TUAHA ADIL, AND DR. ALI SALMAN[1]

PRIME ECONOMIC THINK TANK

INTRODUCTION

The conception of property rights may be built upon and fortified by centuries of legal, economic, and philosophical scholarship, but the essence of this idea is rooted in natural law and hence an indisputable feature of individual liberty. This fundamental right continues to remain the structural cornerstone of a free and prosperous society. With a right that is so foundational to the development of individuals and society, why is it that the very protection of private property is eluded?

This case study first summarily establishes the philosophical and legal foundations of property rights in classical liberal thought; it then explores the legal landscape and the fragmented land administrative authorities and how both have intensified the judicial backlog in Pakistan. The study also provides insights into the institutional systems in place and how economic growth can be irreversibly blunted if structural and legal incapacity persists.

[1]Dr. Ali Salman, Chief Executive Officer, Policy Research Institute of Market Economy (PRIME) Ph.D in Policy Research and Practice, University of Bath, M.A. Economics, Boston University, M.A. Development Studies/Public Policy & Administration, International Institute of Social Studies (ISS), Master of Business Administration (MBA), Quaid-i-Azam University, BSc (Maths, Physics, Statistics), Forman Christian College

Tuaha Adil, Research Economist, Policy Research Institute of Market Economy (PRIME), MS Economics, National University of Science and Technology, BS Economics, Quaid-i-Azam University

Sumaira Waseem, Programmes Manager, Policy Research Institute of Market Economy (PRIME), LL.B., Bahria University

THE FOUNDATIONAL PREMISE OF PROPERTY

In his *Second Treatise of Government*, John Locke termed private property to be an inviolable right, one that exists in the state of nature and as such precedes governments. He claimed that it was inextricably anchored in the relationship between human labour and the natural world**,** a framing that uniquely positioned it in stark contrast to the divine right of the monarchy.

The Lockean view stems from the belief that you are born with undeniable and full ownership over your own body and hence whatever work your hands endeavour into creating, which is a product of your unique labour mixed with the original state of nature, that rightfully and exclusively becomes your property, barring any other from coveting it.

However, despite being given a sanctified position, it can only be meaningful when institutions are effectively enforcing and implementing law to preserve it. To Locke, governments are created for the sole purpose of protecting life, liberty, and property of the individual under its jurisdiction. Adam Smith (1762-173), too, gave life, liberty, and property ascendancy and singly identified the judiciary as being the most important institutional mechanism in their protection.

Frédéric Bastiat, a French classical liberal, built upon the Lockean natural rights framework and published his seminal work in defense of private property. In his work, Bastiat (1998, p. 2) asserted that *"Life, liberty, and property do not exist because men have made laws. On the contrary, it was the fact that life, liberty, and property existed beforehand that caused men to make laws in the first place."*

He expanded on this by introducing the term, legal plunder, when plunder becomes a right protected by law. It is uniquely different from illegal plunder which mainly encompasses wrongs like theft listed in the penal code. In protecting and advancing legal plunder, the law, which exceeds its primary function of the administration of justice, uses the force of law to exploit and violate the liberty, person, and property of individuals. It is a brutal deployment of the law intended to forcefully collect what belongs to one to give it to another. Such power is sanctioned by those who have the power to make the law do their bidding, ensuring that the law benefits only themselves.

Ronald Coase (2013), who had studied the relationship between both law and economics, understood that legal rules and systems indubitably affected transaction costs and misallocation of resources, ultimately bringing economic losses.

It would be remiss of us to not state that our biggest safeguard against totalitarianism is our economic power and legal entitlement through private property. Friedrich Hayek (2007, p. 136) famously wrote, *"What our generation has forgotten is that the system of private property is the most important guarantee of freedom, not only for those who own property, but scarcely less for those who do not. It is only because the control of the means of production is divided among many people acting independently that nobody has complete power over us, that we as individuals can decide what to do with ourselves."*

THE CONSTITUTIONAL AND STATUTORY GUARANTEES

The supreme law of the country, the Constitution of Pakistan, confirms property to be a fundamental right through Articles 23 **(Provision as to Property)** and 24 **(Protection of Property Rights).**

- *Section 3(26) of the The General Clauses Act, 1897 states that immovable property, "shall include land, benefits to arise out of land, and things attached to the earth, or permanently fastened to anything attached to the earth".*

- *Section 3 of the Transfer of Property Act, 1882 states that, "immovable property does not include standing timber, growing crops, or grass".*

Its definition, acquisition, and registration, however, are illustrated across multiple statutes. The statutes that are most often cited and read in conjunction for this purpose are the General Clauses Act, 1897 and the Transfer of Property Act, 1882.

- *Section 2(6) of the Registration Act, 1908 defines immovable property as one including, "land, buildings, hereditary allowances, rights to ways, lights, ferries, fisheries or any other benefit to arise out of land, and things attached to the earth or permanently fastened to anything which is attached to the earth."*

- *Section 2(9) of the 1908 Act defines movable property as, "property of every description, except immovable property".*

A piece of legislation that endows the state with extensive interference is the Land Acquisition Act, 1894 which governs the acquisition of private land by the state; but that law has placed constitutional preconditions for such deprivation which the courts have reaffirmed.

- *Section 4(1) of the Land Acquisition Act, 1894 states,"Whenever it appears to the Provincial Government that land in any locality is needed or is likely to be needed for any public purpose, a notification to that effect shall be published in the Official Gazette, and the Collector shall cause public notice of the substance of such notification to be given at convenient places in the said locality."*

- *Section 6(1) of the 1894 Act expressly lays down those conditions, "...when the Provincial Government is satisfied…that any particular land is needed for a public purpose, or for a Company, a declaration shall be made to that effect under the signature of a Secretary to such Government or of some officer duly authorised to certify its orders.*

    - *Provided that no such declaration shall be made unless the compensation to be awarded for such property is to be paid by a Company, or wholly or partly out of public revenues or some fund controlled or managed by a local authority.*

The courts, however, have continued to fiercely maintain that the Land Acquisition Act, 1894 does not confer an unrestrained power of the state to dispossess anyone of their private immovable property. The proceedings must be initiated and observe due process of law.

Similarly, the legal framework governing intellectual property comprises several specific statutory laws under the **Intellectual Property Organization of Pakistan Act, 2012**. Section 2(h) of the 2012 Act references to all the statutes that protect distinct intellectual properties. These include the Copyright Ordinance, 1962, the Patents Ordinance, 2000, the TrademarkOrdinance, 2001, and the Geographical Indications (Registration and Protection) Act, 2020, among others.

As shown, Pakistan's failure in protecting property rights is not tied to there being an absence of constitutional guarantees and statutory definitions but rather the evidentiary proof of title and overlapping administrative mechanisms.

For instance, while the Registration Act, 1908 mandates the transfer of tangible immovable property, the actual maintenance of land records is governed by provincial counterparts of the West Pakistan Land Revenue Act, 1967. This divided jurisdiction is further complicated by the settled jurisprudence that such revenue entries (*jamabandi* or *fard* in Urdu*)* serve merely as a matter of record for the collection of land taxes and that they, by themselves, do not constitute conclusive evidence of a title. Thus, the simple possession of a state-issued revenue record alone does not establish the ownership of a property in Pakistan, as is also established in the Supreme Court's landmark judgment of *Hakim Khan versus Nazeer Ahmad Lughmani* (1992 SCMR 1832).

In *Sajjan Shoro versus Mahboob Ali and others* (Criminal Appeal No. 351 of 2025), it was maintained that both original allotment and derivative transfer were deemed to be valid sources of ownership and possession of property. It should be noted that possession is only the factual exercise of control over property and that it is ownership that denotes legal recognition.

THE ADMINISTRATIVE STRUCTURE

While one may be inclined to solely attribute the insecurity of property rights to judicial backlog, it must be remembered that courts represent the final stage in the adjudication of property disputes. The origin of title insecurity is traced to delays by administrative inefficiencies and red tape within the land management machinery before disputes reach a court of law.

Agricultural land and rural property are governed by the West Pakistan Land Revenue Act, 1967 and its corresponding Land Revenue Rules, 1969. As per 1967 Act, record-keeping is managed by revenue officials like the *patwari* (local registrar) and the *tehsildar* (revenue officer). The absolute authority of these revenue officials over the maintenance of the record of rights (*jamabandi*) contributed to irregular updating of the ledger. Owing to their monopoly, these officials demand unofficial payments or bribes to process a simple certified copy of the ownership document.

Applications for partition of immovable property have an even more strict criteria to satisfy. As per the West Pakistan Land Revenue Act, 1967, joint owners (*malikan-e-mushtarka*) can divide a joint property into distinct, separately owned titles. As was in the case above, a notice is sent to all concerned parties. If there are no objections raised, officials conduct on-site physical measurements for the purpose of

creating a division map (*naqsha bay*), but due to it being a manual process, administrative delays and corruption take years to receive the final instrument of partition.

In *Syed Ghazanfar Ali Shah versus Hassan Bokhari and others* (2024 SCLR 28), the petitioners opposed the partition of the property, citing that their land rights would be adversely affected by the partition. The matter initially was brought before a member of the Board of Revenue who disposed of the petitioners' case by issuing a consent order for partition. The consent order was then challenged by the petitioners through a writ petition before the High Court which maintained the decision of the Board of Revenue and dismissed the writ petition.

The case was eventually brought before the Supreme Court in which the judges inquired why an invalid ground successively dismissed by both the relevant authority and High Court prevented the respondents' application for partition for 14 years. The Supreme Court regarded that such passiveness and disobedience to the law by the local revenue officers was a direct consequence of the influence the petitioners had.

To overcome these obstacles in the system, there have been technological upgrades across the country. Punjab Land Records Authority Act, 2017 was passed to establish the Punjab Land Records Authority (PLRA) tasked to digitise land records and create Arazi Record Centres. In Sindh, an electronic registration has been introduced called the Land Administration and Revenue Management Information System (LARMIS) for scanning, indexing, digitising, and and maintaining records.

While these technological systems have greatly reduced the time and bureaucratic delays in obtaining a digital revenue entry (*fard*) or updating a mutation (*intiqal*), it is merely a digital counterpart of the traditional system; hence the document itself does not create or extinguish a title.

Nevertheless, courts recognise the administrative mechanism's maintenance and integrity of the record of revenue entries in preventing fraud and protecting property rights. As a result, a defective or an outdated record enables contesting claims to be raised against the owner of the sale deed of the property thus affecting the security and use from such ownership.

In *The Evacuee Trust Property Board and Others versus Haji Ghulam Rasul Khokhar and others* (1990 SCMR 725), the Supreme Court held that the revenue record regarding ownership is considered presumptive evidence of the title, thus shifting the onus on the individual challenging the accuracy of the records. In *Muhammad Sidik and others versus Ghulam Hyder and others* (PLD 1961 Karachi 511), the Division Bench of the court had asserted that while the record of rights (*jamabandi*) was not conclusive evidence, it would be presumed to be true until the contrary was proven. These caselaws confirm that revenue record does not confer a right of ownership, but it is imperative for it to accurately correspond with the legal title in order to exercise the right.

With each additional year of the error or omission in the record, the difficulty and cost of the process of correction only increases, especially in cases of inheritance. Digital systems have been incredibly useful in improving accessibility and reducing the possibility of the loss, destruction, and manipulation of physical records. However, where the digital record is inaccurate or disputed, after bureaucratic hurdles, the matter would eventually be presented for judicial intervention.

Administrative inefficiencies push matters, which could have easily been resolved through an efficient and functioning land administration, into becoming disputes requiring litigation.

THE JUDICIAL REMEDY

In violating property rights through illegal possession, unauthorised transfers, or inheritance disputes, courts are perceived as the primary avenue of justice. Parties immediately institute proceedings without understanding the legal nature of the dispute or the jurisdictional limitations thereby leading suits to be summarily dismissed on procedural grounds with a further delay in enforcing the property rights of owners.

This important position and distinction of the administrative system from the judicial system was emphasised in *Muhammad Ali versus Province of Punjab* (2005 SCMR 1302) wherein the Supreme Court directed parties to pursue and exhaust the statutory remedies available where the matter falls within the jurisdiction of revenue authorities before resorting to civil litigation.

As per the West Pakistan Land Revenue Act of 1967, revenue courts and authorities do not have the jurisdiction to determine or confirm the legal title of property. In section 53 of the 1967 Act, the civil courts of Pakistan under the Specific Relief Act (1877) are given the purview to establish true ownership.

- *Section 53 of the **West Pakistan Land Revenue Act, 1967** establishes that, "If any person considers himself aggrieved by any entry in a record-of-rights or in a periodical record as to any right of which he is in possession, he may institute a suit for declaration of his right under Chapter VI of the Specific Relief Act, 1877."*

- *Section 42 of the **Specific Relief Act, 1877** sets that, "Any person entitled to any legal character, or to any right as to any property, may institute a suit against any person denying, or interested to deny, his title to such character or right, and the Court may in its discretion make therein a declaration that he is so entitled…"*

The civil suits are frustrated with the exploitation of several legal provisions such as the plaintiff invoking Rules 1 and 2, Order XXXIX, Code of Civil Procedure (CPC), 1908, to secure a stay order or a temporary injunction from the court of law, preventing the property from being used, causing it to become dead capital (de Soto, 2000). Such is also in the case of courts permitting adjournments under Order XVII of CPC.

In *Lutfullah Virk versus Muhammad Aslam Sheikh* (PLD 2024 SC 887), wherein multiple adjournments were granted to delay the proceedings, the Supreme Court held that adjournments were not a right and that they were to be granted at the court's discretion where sufficient cause existed. It also held that the court could also impose costs as a disincentive on the party requesting an adjournment. The court confirmed that frivolous adjournments generate a significant cost and losses to the court and the parties involved such as the cost of a court to be in session, travel costs, daily wages, among others.

Moreover, applications challenging the court's orders and decrees are routinely submitted with malafide intention to impede the execution of property decrees.

- *Section 12(2) of the **Code of Civil Procedure, 1908**, allows, "Where a person challenges the validity of a judgment, decree or order on the plea of fraud, mis-representation or want of jurisdiction, he shall seek his remedy by making an application to the Court which passed the final judgment, decree or order and not by a separate suit."*

Ordinarily, a decision by the civil court is appealed to the court of the district judge, then to the High Court, before being presented to the Supreme Court, but the procedural and jurisdictional uncertainties prompt concerned parties into bringing their suit to multiple or jurisdictionally-barred courts of law.

Among civil courts, criminal courts, revenue authorities, special tribunals, and constitutional courts, it is also often the case that they are unable to determine which forum holds jurisdiction over their particular dispute. The forum choice essentially depends on the nature of the legal matter and the relief that is sought. For instance, revenue authorities are principally concerned with the maintenance of fiscal and land records, whereas civil courts hold plenary jurisdiction over substantive civil rights unless legally stated otherwise. This brings questions around the document that needs correction and verification and hence whether that is the revenue entry, the title, or both. Similarly, it depends on the property's classification as rural, urban, public, or private. Another consideration, as alluded above, would be whether a legislation bars ordinary civil courts from adjudicating on matters such as the special tribunals that have exclusive jurisdiction over matters concerning public property in the Sindh province under the Sindh Public Property (Removal of Encroachment) Act, 2010.

The Illegal Dispossession Act, 2005, also allows lawful owners to reclaim possession through criminal courts against unlawful occupiers.

- *Section 3 of the **2005 Act**: (1) No one shall enter into or upon any property to dispossess, grab, control or occupy it without having any lawful authority to do so with the intention to dispossess, grab, control or occupy the property from owner or occupier of such property.*

- *(2) Whoever contravenes the provisions of the sub-section (1) shall, without prejudice to any punishment to which he may be liable under any other law for the time being in force, be punishable with imprisonment which may extend to ten years and with fine' and the victim of the offence shall also be compensated in accordance with the provision of section 544 A of the Code.*

High Courts in Pakistan possess revisional and writ jurisdiction under Section 115 of CPC and Article 199 of the Constitution respectively to correct and review jurisdictional errors or excessive exercises of public authority. However, the courts caution against pursuing the High Court, when it acts in the exercise of its constitutional jurisdiction, for disputes involving substantive claims or appraisal of evidence; such is an indisputable legal position in jurisprudence as confirmed in *Waqar Ahmed and others versus the Federation of Pakistan* (2024 SCMR 1877). Even constitutional petitions are easily dismissed if there is in fact an alternative statutory remedy available.

This does not suggest that specialised and multi-jurisdiction forums invariably fail in protecting property rights. Rather, with each forum deciding on matters according to their expertise, a clear division of labour would be in place, allowing for courts to efficiently and promptly dispose of cases. The problem in Pakistan's legal structure stems from jurisdictional overlaps and uncertainty which most definitely create inordinate delays and continuous costs.

In measuring the accessibility and effectiveness of the justice system in Pakistan, the World Justice Project Rule of Law Index has consistently placed it in the bottom quartile, with the 2025 edition ranking it 129th out of 143 countries in the civil justice factor.

The Law and Justice Commission of Pakistan's Bi-Annual Report of Judicial Statistics (July to December 2025) reported a net pendency of 2.22 million cases by the end of 2025, which could be seen as an improvement from the 2.37 million cases in the beginning of the year; but the rate of new and pending cases far outpace the rate of case disposals thereby leading the backlog to remain overwhelming. The report also indicates that 85.6% of all the pending cases (1.90 million) by the end of 2025 were at the district level, and of these cases, the majority of them were civil in nature.

Notwithstanding the overwhelming number of pending cases, determination of rights and titles is the responsibility of the judiciary, an organ instituted to exhibit thorough independence and maintain supremacy of the rule of law. The legislature, disregarding that fundamental distinction, passed the Punjab Protection of Ownership of Immovable Property Act 2025 to protect lawful ownership of immovable property in the Punjab province.

- *Section 4 of the **Punjab Protection of Ownership of Immovable Property Act 2025** states that, "Whoever, whether himself or through any other person, obtains or retains possession of any immovable property without lawful authority or lawful means or through fraud, deceit, cheating, dishonesty, forgery, misrepresentation, intimidation, force, coercion or any other illegal means, shall be guilty of an offence which shall be punishable with imprisonment for a term which may extend to ten years but shall not be less than five years."*

As part of the law, under Section 8 of the 2025 Act, a Dispute Resolution Committee will be created for each district, comprising commissioners and police officers, and that during the dispute resolution process, the committee will be able to exercise all the powers of a civil court under CPC. In empowering executive officials, such as commissioners and police officers in this case, to be part of dispute resolution committees and granting those committees to exercise all the powers of a civil court, the legislature decidedly violates the separation of powers principle. Expeditious disposition of cases should not come at the justice system's expense, especially considering that impartiality and due process will come at risk.





THE ULTIMATE ECONOMIC COST

As per jurisprudence, property is not merely having a formal title, and in *Pakcom Limited versus Federation of Pakistan* (PLD 2011 SC 44), the Supreme Court held that the right to own property included the right to possess, control, enjoy, and derive income from it. In doing so, the court affirms that property is a source of livelihood, providing economic security to the owner.

In *Air Weapon Complex through Director General versus Muhammad Aslam and others* (2018 SCMR 779), the Supreme Court directed that the compensation to the owner of the acquired property must take into account the expected losses, the property's market value, potential value, and inflation, among other considerations.

A property's economic utility comes from being able to use it, transfer it, mortgage it, and invest with the confidence that the institutional infrastructure in place will indubitably and promptly recognise and protect those interests. Administrative and judicial delays, however, raise the transaction and opportunity costs associated with each of these activities. As Coase (2013) established, when the transaction costs incurred of enforcing a right are prohibitively high, such as the judicial delays, the inability to derive economic benefit from one's property, corruptible records, and bureaucratic bottlenecks, there's a precipitous decline in economic activity as one is not able to practically make use of the legal entitlement.

ECONOMIC FUNCTION OF PROPERTY RIGHTS

Property rights and intellectual property rights are a pricing mechanism for economic risk, and their strength is an indicator of a country's prosperity. Where ownership can be established, verified, and defended at low cost, the risk premium of an investor or entrepreneur falls, which otherwise adds price to the decision to commit capital. Where ownership is not established, the uncertainty becomes a cost of doing business. A well-defined private property system also gives owners full claim over their resources, which is precisely what leads them to weigh the true costs and benefits of how those resources are used, producing efficient economic outcomes (North, 1990; De Soto, 2000).

Intellectual property rights extend this same logic to the products of human creativity. Patents, trademarks, copyrights, and related protections are the legal recognition given to work arising from creative, scientific, and technical effort, granting individuals and firms time-bound, exclusive control over what they create (Barton, 2002 as cited in Murtiza & Abad, 2020). That legal certainty is what makes it rational to invest time and capital in research and development in the first place. Where it exists, the effects tend to compound, and stronger IP protection is consistently associated with higher rates of foreign direct investment, deeper cross-border technology transfer, and greater industrial output (Srivastava, 2025).

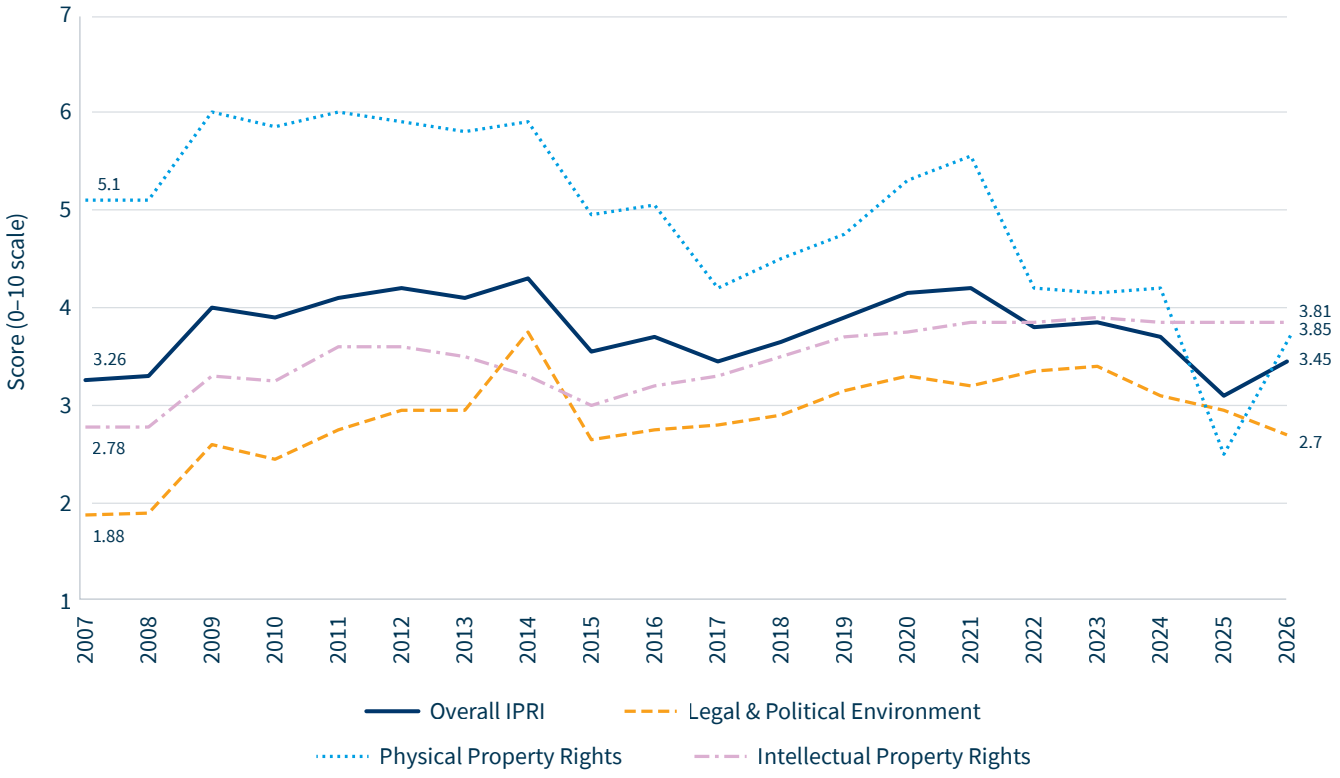
Pakistan needs to expand the credit market, formalise a large informal economy, and build a more knowledge and innovation base for growth beyond its traditional textile and agricultural sectors. A credit market cannot be inclusive if property cannot be reliably used as collateral. An informal economy cannot formalise if the cost of establishing clean legal title exceeds the benefit of doing so. A more innovation-intensive economy cannot emerge if inventors, software developers, and manufacturers cannot count on capturing the value of what they create.

This is not a new diagnosis for Pakistan, as weak property rights and IP protection have been raised repeatedly in international assessments, including the IPRI itself and comparable indices (Property Rights Alliance, 2025; U.S. Chamber of Commerce, 2026), as well as in domestic policy debates for decades.

HISTORICAL PERFORMANCE AND REGIONAL BENCHMARKING

The link between secure property rights and economic performance in Pakistan's case is visible in the twenty-year trajectory of IPRI itself. As Figure 1 shows, Pakistan's overall score moved in a narrow band for most of the past two decades, falling to its lowest recorded level, 3.15, in 2025, and then rebounding to 3.45 in 2026. The decline was driven almost entirely by the steep fall of the Physical Property Rights (PPR) component, from 4.21 in 2021 to 2.57 in 2025. However, with the government's efforts to digitize land records, there has been a remarkable improvement in the PPR, with the score clocking in at 3.84 in 2026. Intellectual Property Rights, by contrast, have moved gradually upward over the same period, from 2.78 in 2007 to roughly 3.8 in recent years, a slow but real improvement.

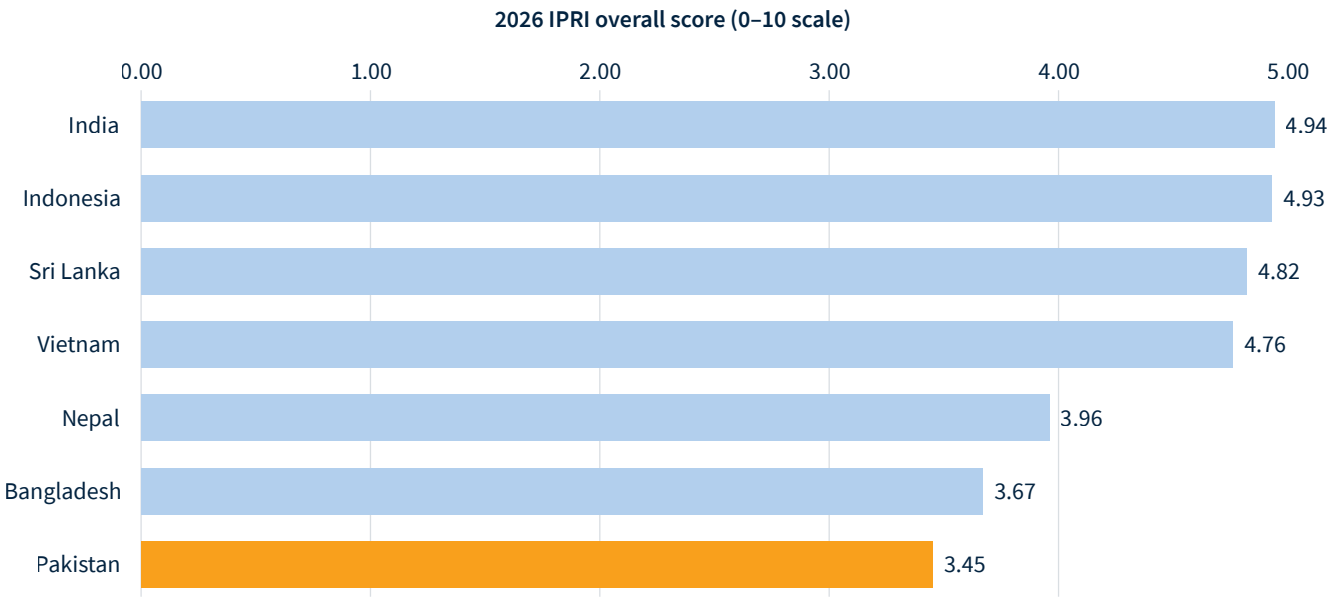
FIGURE 1. PAKISTAN — IPRI OVERALL SCORE AND COMPONENTS, 2007–2026



Source: Property Rights Alliance. (2026). International Property Rights Index: Time Series Data, 2007–2026.

The composition of these two components matters as much as their trend. PPR is built from protection against expropriation, the efficiency of the property registration process, and access to financing, which aligns with the transaction cost channel. IPR is built from perceived protection, patent strength, copyright strength, and trademark strength, a similar mix of legal framework and practical enforcement. Comparison with regional peers, shown in Figure 2, Pakistan's 2026 score of 3.45 trails Bangladesh (3.67), Nepal (3.96), Vietnam (4.76), Sri Lanka (4.82), Indonesia (4.93), and India (4.94), placing Pakistan at the bottom of a group of economies with broadly comparable development profiles.

FIGURE 2. IPRI — PAKISTAN AND REGIONAL PEERS



Source: Property Rights Alliance. International Property Rights Index 2026

INSTITUTIONAL AND ADMINISTRATIVE PERFORMANCE

The aggregate scores describe an outcome while the local process provides institutional perspective. On physical property, Pakistan's land administration reforms remain a patchwork rather than systematic. Punjab has made some progress to digitize rural land records across all 36 districts with the help of the World Bank (2017), but this covers land-record verification and mutation, not the full chain of an urban property transaction. That still typically runs through several separate offices, including the sub-registrar for deed registration, the Excise & Taxation Department for property tax and stamp duty assessment, the relevant development authority where a property falls within its jurisdiction, and the local revenue office for mutation.

Other provinces lag Punjab's model. The result is that transactions require coordination across several independent, non-integrated authorities, each with its own documentation requirements, fee structures, and verification steps. This process stretches into months where they should take days, and disputes arising from unclear or duplicate records can take years to resolve in court. This is in response to institutional gaps rather than a coincidence, where the formal system is slow and uneven, while informal fixers, agents, and intermediaries step in to bridge it for those who can pay for them. The underlying institutional weakness remains unaddressed.

Pakistan's intellectual property laws have improved, but enforcement hasn't kept up. Intellectual Property Organization of Pakistan handles patents, trademarks, designs, and copyrights, yet infringement enforcement is split across multiple agencies with no clear lead. Trademark examination faces a backlog due to staff shortages, and filing is still mostly done in person rather than online. Pakistan also isn't part of the Patent Cooperation Treaty, so foreign applicants must file separately and directly with IPO-Pakistan, adding cost that smaller innovators often can't afford. The result is that legal protections look strong on paper, but weak enforcement leaves the actual returns on innovation uncertain (UK Intellectual Property Office, 2025).

These are not abstractions confined to legal or administrative discussion; they shape the daily economic reality of Pakistanis. A family whose land title is disputed cannot easily sell, inherit against, or borrow against it. A small manufacturer who cannot register a trademark cheaply or quickly, and cannot rely on enforcement against counterfeiters has less incentive to invest in building a brand rather than competing purely on price. A software developer or musician whose work is copied with limited consequence sees a diminished return on creative investment and a corresponding incentive to under-invest in original work.

Multiplied across millions of households and hundreds of thousands of small businesses, the result is an economy in which large pools of both physical and intangible wealth sit outside the formal, productive system, remaining undercapitalised, underleveraged, and largely invisible to the credit and investment that could otherwise flow from formalising them (De Soto, 2000).

POLICY RECOMMENDATIONS

Pakistan's task ahead is one of consolidation rather than reinvention. The reforms such as modernised copyright and patents frameworks, accession to the Madrid Protocol and Marrakesh Treaty, and Punjab's land digitisation programme show that a credible institutional path exists, and the priority now is scaling it consistently. Three areas deserve focus.

First, extend digitisation and inter-departmental coordination for property transactions to urban areas and to provinces beyond Punjab so registration ceases to be a source of delay and dispute.

As an earlier study recommended (Syed, 2024), Pakistan should consider switching from the sale deeds system to Torrens system of recording property ownership with state guarantee to ensure reliability, efficiency, and transparency in property ownership and transfer.

Second, strengthen Intellectual Property Organisation-Pakistan's capacity with more examiners, full online filing, and a single lead agency for enforcement, so legal protections translate into practical deterrence against infringement.

Third, deepen access to secured, property-backed financing for small and medium enterprises whose formalisation depends directly on reliable collateral. Pakistan's 2026 PPR score, rebounding to 3.85 from 2025 low of 2.57, suggests early progress.

Sustaining that trajectory will determine whether property rights and intellectual property protection remain a recurring item on Pakistan's reform agenda or become a durable foundation for investment, credit growth, and innovation. This is the certainty that comparable economies in the region have already built into their institutions.

REFERENCES

1. Barton, J. H., Correa, C. M., Alexander, D., Mashelkar, R., Samuels, G., & Thomas, S. (2002). *Integrating intellectual property rights and development policy: Report of the commission on intellectual property rights*. Commission on Intellectual Property Rights. As cited by Abad, G. M. D. Q. (2020). Intellectual Property Promotes Economic Growth: Myth or Reality.

2. Bastiat, C.-F (1998). *The Law* (D. Russell, Trans.). Foundation for Economic Education. (Original work published in 1850)

3. Coase, R. H. (2013). The Problem of Social Cost. *Journal of Law and Economics*, *56*(4), 837-877. doi.org/10.1086/674872

4. de Soto, H. (2000). The Mystery of Capital: Why Capitalism Succeeds In The West And Fails Everywhere Else. Basic Books.

5. Hayek, F. A. (2007). *The Road to Serfdom* (B. Caldwell, Ed.). University of Chicago Press.

6. Law and Justice Commission of Pakistan. (2025). Bi-Annual Report of Judicial Statistics (July to December 2025) [Data set]. ljcp.gov.pk/SiteImage/Misc/files/July%20to%20Dec%202025.pdf

7. North, D. C. (1990). *Institutions, institutional change and economic performance*. Cambridge University Press.

8. Property Rights Alliance. (2025). International Property Rights Index 2025. internationalpropertyrightsindex.org jml

9. Smith, A. (1762–1763). *Smith's Lectures on Jurisprudence* [originally delivered at the University of Glasgow]. Adam Smith Works. adamsmithworks.org/documents/digital-jurisprudence

10. Srivastava, D. (2025). Intellectual property rights and its economic growth. *International Journal of Law Management and Humanities*, *8*(4), 546–557.ijlmh.com/paper/intellectual-property-rights-and-its-economic-growth/

11. Syed, M.A. (2024). *Immovable Property Rights: A Case for Law Reforms in Punjab.* pide.org.pk/research/immovable-property-rights-a-case-for-law-reforms-in-punjab/

12. UK Intellectual Property Office, Department for Business and Trade, and British High Commission Islamabad. (2025). *Review of Pakistan IP Regime*. gov.uk/government/publications/review-of-pakistan-ip-regime/review-of-pakistan-ip-regime

13. U.S. Chamber of Commerce, Global Innovation Policy Center. (2026). International IP Index 2026: Pakistan economy fact sheet. uschamber.com/assets/documents/maps/Ipindex_26/Pakistan_IPIndex-2026.pdf

14. World Bank. (2017). Punjab Land Records Management and Information Systems Project. documents1.worldbank.org/curated/en/632241498842804246/pdf/ICR00003719.pdf

Word count: 5997 words



INTERNATIONALPROPERTYRIGHTSINDEX.ORG