

One major negative externality currently occurring in Pakistan is air and water pollution from industrial emissions. Factories and power plants spew toxic contaminants into the environment that diminish air quality and pollute water sources. This causes public health issues and environmental degradation. However, companies don't bear the full costs of this pollution—rather, society shares the burden. The Pakistani government has begun trying to remedy this issue by tightening emissions standards and enforcement for industries. They are also promoting investments in cleaner production technologies and pollution control equipment. However, oversight and regulation remain lax. More needs to be done to motivate and even mandate businesses to limit their ecological impacts.

A positive externality in Pakistan is the widespread vaccination against communicable diseases. Vaccines provide herd immunity that helps suppress contagion rates. The government's immunization drives have contained the spread of many virulent diseases over the past decades. Polio, for example, has nearly been eradicated thanks to vaccination campaigns. Each child who gets inoculated thus confers protection upon the whole community. The government has therefore invested considerable resources into making vaccines free and accessible nationwide. Home visit teams even bring doses directly to people's doorsteps. While Pakistan's vaccination rates still require improvement, the government's efforts have yielded a significant positive spillover benefit to society in terms of public health and safety.

Pakistan faces challenges with externalities like industrial pollution but is making some headway in encouraging positive spillovers like vaccination. Targeted regulations, incentives, and public investment are needed to further curb negative external impacts and amplify positive ones.

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