

The Far-reaching Effects of Political Instability in Pakistan

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Outline

1. Introduction

Thesis Statement

2. Understanding Political Instability

3. Describing the Far-reaching Economic Effects of Political Instability in Pakistan

a. Decrease in foreign direct investment
case in point: Economic Survey of Pakistan

b. Sky-rocketing inflation
case in point: Pakistan Bureau of Statistics

c. Hurdles securing loans and agreements
case in point: IMF's 23rd Standby agreement with Pakistan

d. Currency devaluation
case in point: Rupee in 2022 vs rupee in 2023.

e. Uncertainty among business community
case in point: Automobile industry during 2022 transition of power

f. Wreck up of big industries
case in point: Shell Pakistan

g. Connectivity issues damage Pakistani ~~export~~ e-commerce
case in point: Pakistani Fiver accounts during May 9 internet shutdown

4. Describing the Far-reaching

Social Effects of Political Instability in Pakistan

- a, Increase in brain drain
Case in point: Gallup poll
- b, Loss of public trust in government
- c, Deterioration of democracy
- d, Loss of sense of social security
- e, Leaders just serving their masters

5. Policy Prescriptions to ~~Best~~ Minimize the Effects of Political Instability in Pakistan

- a, Encouraging parliamentary practices are mandatory
 - Debates over issues
 - Discussion over bills
- b, Taking all stakeholders in confidence would end differences
- c, Active and positive role of media can bring positive change

6. Conclusion

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Since the inception of Pakistan, it has long remained a victim of political instability. From frequent Prime ministerial changes, long disagreements over time to time, 'dharma politics', and lack of consensus among political stakeholders - Pakistan has always struggled. Political instability is like a cancer for Pakistan; damaging it gradually. Besides, Political instability has detrimental far-reaching in Pakistan. These mainly include ~~the~~ a sharp decline in foreign direct investments, skyrocketing of inflation, nose-diving of rupee, and creates uncertainty among business community as to how things will go. It also has far-reaching effects on society, which includes triggering of brain drain, derailment of democratic practices and loss of public trust in government and its institutions. The detrimental ~~impacts~~ effects of political instability require pragmatic policy prescriptions. Thus, the policy prescriptions require encouragement of parliamentary practices, taking all stakeholders in consideration, and an active role of mass media. The essay will describe the key term political

Instability and ^{will} describe far-reaching effects of political instability in Pakistan, and in the end it will provide a way forward to minimize effects of political instability.

Before moving forward towards the far-reaching impacts, it is pertinent to understand the key term political instability. Political instability simply is instable politics; where there is lack of consensus; not all stakeholders agree upon matters; protests are staged frequently, and political riots happen. It is often caused by pressure groups, political lobbies, and interest groups. ~~They~~ They cause it for personal interest, for the interest of party or organization they work for. Thus, it can be said political instability is instable politics of a country.

The succeeding paragraphs will describe the detrimental far-reaching effects of political instability in Pakistan.

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Firstly, political instability results in decrease of foreign direct investments. — a mandatory for any country's economic prosperity. Political instability discourages the foreign investors to invest in Pakistan, as his/her investment would not be secure in a politically hostile environment. The Economic Survey of Pakistan (2022) explicitly mentions the sharp decrease in FDI amid the political instability prevailing in Pakistan. Therefore, political instability discourages foreign direct investments coming to Pakistan.

Secondly, political instability triggers inflation. Political instability comes with massive protests and blockages, which in turn block the transportation system allowing the profiteers exploit the chance. All of this results in sudden and sharp increases of prices of products. It can be viewed from the fact that since 2022 till date inflation is double digit in Pakistan.

(Pakistan Bureau of Statistics)
40-45% weekly inflation overall

Thirdly, Pakistan faces significant hurdles while entering into agreements or securing loans from international institutions. Loans are often required to heal the bleeding economy of Pakistan. The situation can be better understood by a recent scenario. Following the political unrest ~~between~~ between PTI government and the PDM. International Monetary Fund refused to enter in any agreement until the political rest ends. Therefore, political instability makes it difficult for Pakistan to enter in agreement. ~~at~~

Moreover, political instability due to various associated factors results in currency devaluation. The dollar prices last year against PKR were 155-175, and now it is 295-300. Political instability triggers stock crash, cash withdrawals and such measures, which in turn devalues the Pakistani rupee which is already very low against the dollar. Hence,

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political instability triggers
currency devaluation in Pakistan.

More importantly, the
business community in Pakistan
remain uncertain as to
what will happen, who will
be in power, what change
will occur in business policies.

All of this uncertainty makes
it difficult for them to
run their businesses in Pakistan.

Key case of automobile industry
can be a good example, which
was uncertain whether the
new government will impose taxes
on cars or ease restrictions. All
of this instability in Pakistan
makes business community uncertain
of the future policies - hence
hurting Pakistani economy.

Furthermore, political instability
causes the wrap up of big
business from Pakistan. They
do not feel secure operating
in Pakistan and close down
their operations in country.

Key case of Shell petroleum
company can be best in this
regard. Shell, an international
firm, closing all their operations

due to political unrest and hostile environment in Pakistan (Council on Foreign Relations)

In addition to that, political instability often results in shutdown of internet services. All of these shutdowns inflict pain to economy of Pakistan. It is because of the growing e-commerce business operating in Pakistan. Key case of internet shutdown during and after May 9 riots cost Pakistan millions. Pakistani employed individuals working online got sacked and their reputation was badly damaged internationally on Fiver and other such platforms. People working with Byke, Food Panda, Careem, online e-stores Gul Ahmed, Khadi and others were all shut online. Therefore, political instability triggers shutdown of internet ultimately putting country at loss.

Above-mentioned paragraphs described the far-reaching economic effects of political instability in Pakistan. The succeeding paragraphs will

describe far-reaching social effects of political instability in Pakistan.

Firstly, political instability results in increase in the unfortunate brain-drain. It is the leaving of Pakistan by highly qualified individuals for better opportunities offshore. A recent Gallup poll concluded that visa applications of Pakistanis wishing to emigrate in U.S and Canada have increased manifold. This will deprive Pakistan of these bright minds, who would otherwise had stayed in country. Hence, the political instability serves as a catalyst to brain drain in Pakistan.

Secondly, the continuous political instability results in loss of peoples' trust in the credibility of government. It is because of the government often remains mired in political unrest. Thus they fail to serve the masses for which they were elected in the political offices in the first place. Thus,

political instability results in loss of public trust in ruling governments.

Thirdly, political instability is contradictory to the basic principles of democracy, which require parliamentary debates not road protests. Therefore, it derails the democratic progress that Pakistan has achieved in decades. The derailment is detrimental for the health of Pakistani democracy and jeopardizes the bright future of country.

Lastly, political instability results in loss of sense of social security. How can a country progress and rise to the height of glory, when the citizens of it do not feel secure. The sense of social security loses amid the deprivation of access to basic health^{care}, education and security of person himself, which remain under grave threat during the times of political unrest.

All above-mentioned

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paragraphs described the detrimental social effects of political instability. It is high time Pakistan comes up with some practical policy prescriptions to minimize the effects. Therefore the succeeding paragraphs will provide a practical way-forward.

Firstly, Pakistan must encourage Parliamentary practices to get rid of political instability. This will require the country to promote the culture of parliamentary debates, discussion over various bills coming in assembly. This will get rid of political instability and will improve the health of democracy in Pakistan.

Secondly, Pakistani government must be inclusive of all the stakeholders while taking ahead some policy or Law. This will address their concerns at the primary level and the situation would not result

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in political unrest. Hence, the country will get rid of political instability.

Lastly, an active role of media outlets, a strong pillar with wide-spread reach, can bring a positive change.

If media facilitates political parties positively by letting each of them convey their stance and reach a settlement - the situation can improve. Media, certainly, has the power to bring positive change in Pakistan by minimizing political instability.

To conclude, Pakistan has long been mired in political instability - since independence till today. The country has long struggled to improve its political situation. Political instability has cost Pakistan more than one can imagine. The far reaching effects of decreasing FDI's, inflation, currency devaluations, and hurdles in business operation say it all blatantly. Whereas, the social effects have forced bright minds to leave home country, it has derailed

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democratic progress achieved through decades and people have lost faith in government. Nevertheless, the cancer of political instability and its effects can be handled and minimized. It will require Pakistan encourage parliamentary practices, taking stakeholders into consideration and most importantly active role of media. Pakistan still has time to get rid of this cancer. If Pakistan follows all way forwards, the day is not far - Pakistan becomes prosperous and a better to place to live in.

(Madam essay count is 2100-2200 words excluding outline. Did it in 2:54:03 Please provide detailed remarks about structure, expression and ideas etc and overall)
Thank you in advance