

# Economic challenges faced by Pakistan and its impacts.

## Introduction

Pakistan has been facing a number of crisis i.e., political crisis, economic, policy crisis and energy crisis and balance of payment for the last couple of decades. Most crucial of them is economic crisis. It has many effects on various sector of Pakistan. Economic crisis leads to Pakistan to different challenges like energy crisis and political instability across the country. Unemployment, inflation and poverty are the outcome of economic crisis in Pakistan. All these issues lead to Pakistan to extremism, terrorism and uncertainty in the country, now the country has taken steps toward improvement and investment in the country and improving education standard at Pakistan and investment from foreign countries. Pakistan has developed its foreign policy to back on track the country through CPEC and other initiatives in the country.

What factors ~~lead~~ lead Pakistan to economic crisis.

(1) Political Instability.

Pakistan has been facing political crisis, upheaval and uncertainty since its inception. Pakistan has not been stable political throughout its history. Pakistan came into being on the map of world on 14, August, 1947. From its inception to date, unfortunately, no one prime minister of Pakistan completed his tenure of five years. Only prime minister Liaqat Ali Khan served as a PM of Pakistan longest tenure of 50 months and PM Nawaz Sharif served 49 months in the 75 years of its history. One can imagine how much political instability in Pakistan that no one PM of the country could complete his tenure of five years. But in the last couple of decades ~~the~~ political instability has aggravated in the country. In the first 11 years 7 prime ministers served Pakistan with a limited period. Pakistan instability is responsible for all other crisis facing by the country. Now it leads Pakistan to economic instability and other several crisis.

## (a) Bad governance

Bad governance is another issue of Pakistan's economic crisis. The country has been facing bad governance from its creation. No government served Pakistan without policy crisis. Bad governance is a persistent issue of the country which led the country to economic crisis. A number of policies were made but unfortunately those policies were not implemented throughout the history of the Pakistan. Several amendments were made but due to political persecution Pakistan could not make progress. All the governments gunned down his political opposition. An anti graft agency NAB was established in 2009. It was used against opposition for only political persecution whether civil or military government. In the last couple of years it was aggravated. Amendments have been made in the NAB ordinance by the PDM government to get relief from their cases. But now the government has taken initiatives to escape from the governance crisis.

### iii) Corruption

Another significant issue of the country is corruption. Corruption is also a persistent issue of the country which lead Pakistan to economic crisis. According to former FBR chairman Pakistan has been facing economic crisis due to Rs. 7 billion of corruption on daily basis. Unfortunately, anti-corruption agencies were made to recover the country from this menace but those institution itself involved in corruption charge. They have been failed to play their role to remove this issue due to misuse of those anti graft bodies in the country. Politiced cases of corruption were made against oppositions by the governments whichever in the rule by misusing the anti-corruption agencies. These agencies remained the victim of persecution.

## Q1) Brain drain

Due to lack of attractive jobs and worst conditions of Pakistan people felt no comfortable life and thought to go abroad highly skilled, highly qualified, skilled and semi skilled people. Due to economic bad situation in the country there has been lack of attractive jobs. Brain drain was started in 1971 due to lack of job opportunities and no research and innovation centers in the country. From 1971 almost 13 million people were migrated to abroad. In 2015 more than 9 lac people left Pakistan among them doctors, engineers and professionals. In 2018, 830339 people went abroad and in 2023 according to Emigration and Overseas Employment of Pakistan 805088 people left the country. Brain drain is also a barrier in the way of economic growth as intellectuals migrated from poor countries to developed countries. Pakistan is also facing this crisis which leads to economic crisis.

## iv) Terrorism

Another significant challenge to Pakistan and its economy is corruption. Terrorism is a persistent issue of the country which took the country to economic crisis.

~~Terrorism~~ Terrorism started in Pakistan since 1979 when the dictator General Zia ul Haq put the Islamic state into the Soviet Afghan war. Pakistan supported Taliban, rebellion at the Afghan Government, on behalf of the USA, enemy of USSR. Soviet Afghan war proved fatal for this country as almost 5 million refugees came to Pakistan due to Soviet-Afghan war. This war was Khashanqou culture and terrorism in Pakistan. It created many challenges for the country. Due to terrorism in Pakistan, it portrayed the image of the country as terrorist before the world which took Pakistan to lack of foreign investment. And the country led to economic crisis and challenges.

## iv Religious Extremism

Religious extremism is another crucial challenge for Pakistan and its economy. Pakistan has been facing extremism since its inception. In 1953 when Ahmadi issue erupted and Ahrar party, Anti Ahmadi, initiated a campaign against the Ahmadiyas that they are not Muslims due to non believe in Khitam-e-Nabuat. This issue led to an uncertainty and chaotic situation in Lahore. When the situation was uncontrolled the authorities had to take step to impose temporary martial law in Lahore until the situation goes to normal. The situation was controlled due to temporary martial law in Lahore but not completely removed this campaign. Recently a number of ~~these~~ incidents took place on religious basis in the country. An incident took place in Sialkot in which a Sri Lankan was lynched to death by a mob. Another incident of this type happened in Faisalabad's Jehsil, Jaranwala in the mid of 2003 which took to uncertainty in the city. It portrayed the bad image of the country the world and led to evaporation of IZD.

## Recommendations

**Education:** we should take steps to improve our education system. According to Dawn newspaper literacy rate of Pakistan is only 60 pc including those who write their name we should increase our educational budget up to 4 to 5 % of the GDP according to UN.

**Agriculture** we should invest in agriculture sector. Agriculture sector is the backbone of our economy 60 - 70% of the population is engaged in agriculture. We are not sufficient in agriculture despite being an agricultural ~~factor~~ country. Finally we should invest in agriculture.

**Industrial.** Industrial sector is also the backbone of economy. We should improve our industrial sector as early as possible. The govt. should create space to improve industrial sector by giving relief in tax, bills and should give subsidies to the industrialist.

**Good governance:** The authorities should take initiative to improve the governance system of Pakistan. Good governance is responsible for economic growth in the country. Military should play its positive role in the country and should refrain from suspension of constitution.



## Conclusion,

Pakistan has been facing many challenges from its creation. This includes political uncertainty, bad economic situation and leaking economic. Pakistan has potential it get rid of its crisis in the future. Pakistan has rich in resources i.e. human capital, coal, oil and gas and minerals but due to poor in management, it is facing crisis. The govt ~~can~~ cannot tackle this problem without the help of public. Public should play their positive role in the society and should ~~pay~~ pay their constitutional duties and responsibilities to escape the country from the current crisis.