

Pakistan Affairs:

SHAHBAZ

QUESTION No:01

Pakistan's sustainable economic recovery depends on the political stability of the country. Explain.

ANSWER

INTRODUCTION:

From the inception of Pakistan, it was and is going through many multifacet crisis. From fighting wars to facing military regimes and from political engineering to power politics, Pakistan is gone through from various cycles of ups and downs. The main and pertinent issue that Pakistan always faced is the low economic growth due to the political crisis. Pakistan has not made any progress in its economic sector from its inception. The reason behind is that of fight for power among leaders. Hence, it is evident from many countries' success stories, like Indonesia and Turkey, that a stable political and fair political institution will lead to stable and prosperous economic growth.

NEXUS BETWEEN ECONOMY AND POLITICS:

No state will work without a proper working of its institutions whether it is military institute, economic, social or political institute. An instable political institute will become a hindrance in the progress of the country's economic growth. In Pakistan chequered history, everyone is evident of

that whenever political protests rise in the country, it hinders the economic and business development. From the isolated era, 1980's to of 1990's, Pakistan faced extreme cycle and specters of low economic growth because of the repeating assembly dissolution. Hence, without prosperous political institute, economic will not flourish.

CURRENT SITUATION OF POLITICAL INSTABILITY

~~From May~~
From ~~May~~ From April, 2022 ousted government of Pakistan Tehreek-e-Insaf (PTI), the country is going through many uncertain problems in every sector. Politics is in a vicious cycle of vengeance. From its history, every new incumbent government imposed heavy, true cases on the former party. When former Prime Minister (PM) Imran Khan took office, he started a full mission of revenge and did revenge politics against opposition party. Recently, Pakistan Democratic parties, a group of coalition parties doing same to PTI. As in English Civil War, Cromwell's supporter did that, "you have done with us, go fight amongst yourselves now". Hence, former PM, Imran Khan, is facing the repercussions of what he did. Apart of this, Pakistan always went through such political crisis which effects the economic growth.

CURRENT SCENARIO OF ECONOMIC GROWTH:

Pakistan's economic is always dependent on the external sources for its progress and prosperity. In its starting days, Pakistan choosed America's camp, the reason behind this decision was to make Pakistan economically fit.

In recent years, economy of Pakistan went through many Krisis and haphazard situations. From 2008 to onwards, there is no improvement in the economic growth of the country. During Pakistan Muslim League - N (PML-N) rule, the government faced sit-ins and protests by PTI party which gave a heavy setback to economy of the country.

Almost Rs: 500-600 million loss was witnessed.

Same is the situation right now in the country.

In addition to this, severe climate-changes and extreme floods further deteriorate the circumstances.

IMPLICATIONS OF POLITICAL INSTABILITY ON ECONOMIC GROWTH:

01) Hesitation of Investors :- Low Foreign Direct Investment (FDI) ~

Due to the deteriorated condition of the politics and governance, the foreign investors feel hesitate to invest in business and economic development. From The April 2022, political re-engineering resulted in decline of FDI. Hence,

this eventually effect the economic development in the country.

02) Brain Drain from the country: ~ Youth feel exhaustion and chooses abroad ~

Due to the political chaos and manipulation in the institutions, youth feel exhausted and vexed. They down their morals and choose to go abroad. From the recent statics, almost 765,000 young qualified professional left the country in search of better jobs and life, particularly as a result of unstable political and economic situation

03) Short-Sighted Economic Policies of Incumbents:

Incumbent government make myopic policies with no clear vision for economy to stay in power for their particular tenure. Resultantly, the economic growth punctured and no structural ^{reforms} would introduced to flourish and increase the economic development. As former PM, Imran Khan, said, The biggest challenge of Pakistan is how to improve our state institutions, so we can tap our potential. Hence, institutions are fighting for power politics instead for betterment of the state.

04) Riots across the country:

The increasing protests and riots across the country becomes a hurdle in the economic prosperity. It is evidenced by the PTI's Islamabad protest of 126 days, trade routes and business activities were halted and faced extreme loss in the economic development.

05) Dearth of Trust of Multi-National Companies:

Due to the increasing political chaos, the trust of multi-national companies is diminished. Anxiety among investors increases and they are shifting their investment to other states. Toyota, a Japan-based automobile firm, closed its firms because of the unstable political condition.

06) Rising Militants and their attacks across the country in An alarming situation~

When leaders are busy in fighting for their power and to stay in power, it gives a chance to third party to intervene. This is the case with Pakistan, in the rise of political chaos, they give door to military groups to increase their extreme activities, as evidenced in Khyber Pakhtunk (KP) and Balochistan.

HOW POLITICAL STABILITY WILL LEAD TO ECONOMIC PROSPERITY:

01) Provide lucrative environment to investors.

For the stability and progress of the economic institutes, the incumbent government has to work on providing a good environment and build their trust over them to attract the investment. CPEC - China Pakistan Economic Corridor is a ray of hope and a key in the hands of Pakistan to utilize it and attract investors for its economic growth.

02) Structural Reforms in economic sector:

The government is responsible and caretaker of the country's policy making and its smooth execution. Therefore, it is a high time that incumbent government work on making structural reforms in economic sector, like division of power and removing extra expense, to flourish the economic growth.

03) Well-Established Political Culture ~ Democracy instead of Real Politik ~

The government has to work on making political culture better and practice the principles of democracy instead of authoritarian rule and rigid policies.

Because, economic is directly linked with the political stability and prosperity.

04) Diminish militancy threats: Taking pragmatic approach to policy making

Increasing militancy threats become a hurdle in the progress of the country. The state has to take pragmatic measures, avoid the extreme operations and work on the amnesty schemes to lessen the rising militancy and their threats. It eventually helped in making country economically and socially prosperous.

05) Monitoring of Institutional Efficiencies:

It is a universal truth that ineffective institution will lead to nepotism, corruption and hinderance in economic growth. If stable political system exists in Pakistan, all the sectors government and semi-government, would be observed efficiently and decreases the chances of rampant corruption and increases the economic development.

CONCLUSION:

"Developing inefficient policies and working in unstable environment is like planting a tree in isolation which does not produce any fruit?"
In Pakistan, economics and politics are always

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SHAHBAZ

in a vicious cycle of extreme crisis. Unstable political institute will lead of lack of FDI, brain drain and deteriorated economic condition in the country. Hence, It is pertinent to work hard and snap out from own comfort zones and ~~fight of for power~~ fight against the monsters and specters looming on the economical development and progress of the country. Once a person said, start strengthen own local buisness and open a small buisness in neighbour hood, it will inerease the economic geowth. Hence, economic stability only achieved by political stability.

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Time: 1 hour and 13 minute. ~