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Liberalization of Economy

Pakistan has been facing severe economic meltdown for three years. Although the country is rich in resources, yet all these natural and human resources are unutilized. Pakistan constitutes the youngest and energetic generation of the world, but lack of opportunities and growing unemployment have created frustration among youngsters. Moreover, the unexplored natural resources contribute nothing in the economic development. Along with all these facts, the country bears the brunt of loss-making enterprises. For example, the ~~accumulated~~ total debt and liabilities of DIA have reached 850 billion rupees which is ample amount to cater the maximum portion of populace. Moreover, Pakistan Steel Mills, and National Highway Authority are other loss-making state owned enterprises (SOEs). The recent report published by Finance Division reveals that SOEs generated 705 billion rupee profit and loss-making SOEs ~~created~~ lost 902 billion rupee previous year, ~~excess~~ creating the net loss of 202 billion rupee to the national kitty.

To counter the growing loss by SOEs, the government of Pakistan has decided to privatize all SOEs and make the state free from growing debt burden. The liberalization of economy is widely followed phenomenon to give a boost to national economy. This drive was initiated back in 1993 with the establishment of Privatization Commission. As of now, the privatization is gaining acceleration to make the economy more liberal and aim to create market competition. However, due to political interference, bureaucratic mismanagement, growing disinformation, and vested interests of political elite, the process of privatization has always been under criticism. Privatization is necessary to make market competition.

On the other hand, it is looming threat of growing market monopoly in the country. There are several examples where privatization has not yielded results according to expectation. For example, K-Electric was privatized to enhance efficiency but the company has created monopoly and failed to produce required energy.