

Day: _____

Date: _____

The elusive political stability is Pakistan's real road block to growth. Discuss.

INTRODUCTION:

political instability has always been a major road block to growth. In the research paper,

political instability: a case study of Pakistan the writer has

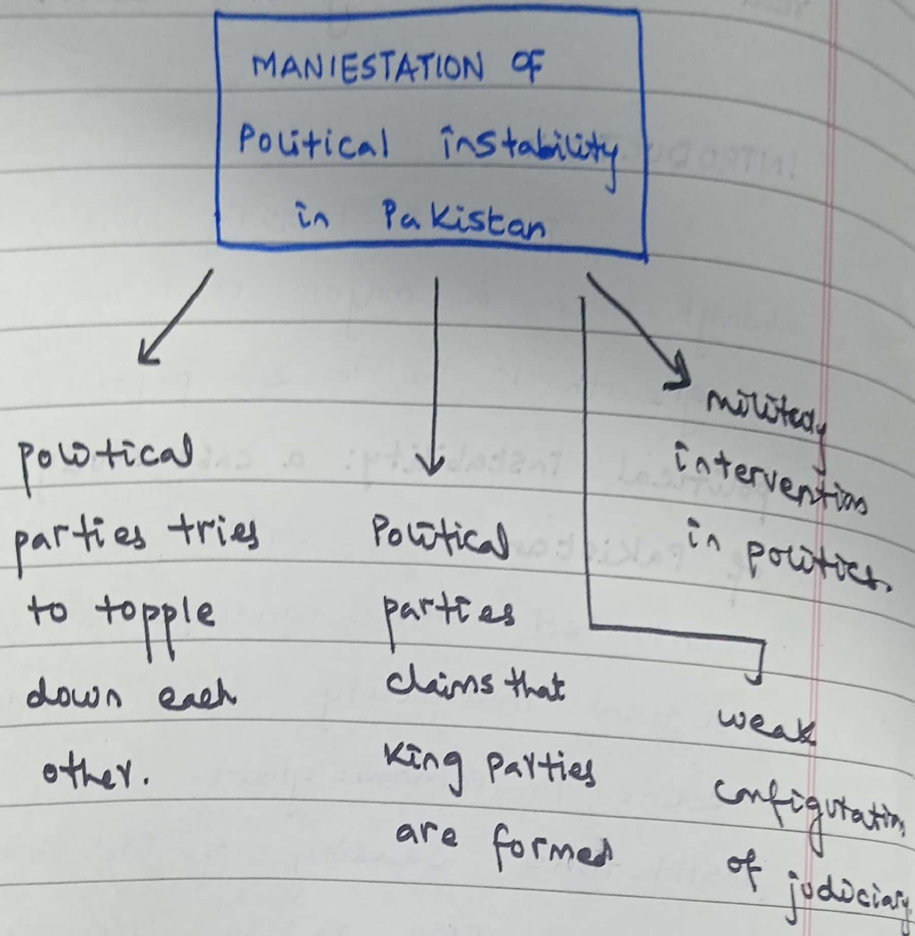
accentuated the consequences of political instability which includes decline in economic growth, weak institutions, ceasing of industrial operation, rise in security issues, decline in remittances, and erosion of public trust.

MANIFESTATION OF POLITICAL INSTABILITY IN PAKISTAN

Political instability ~~is~~[↑] impedes ~~at~~^{the} the growth of the country.

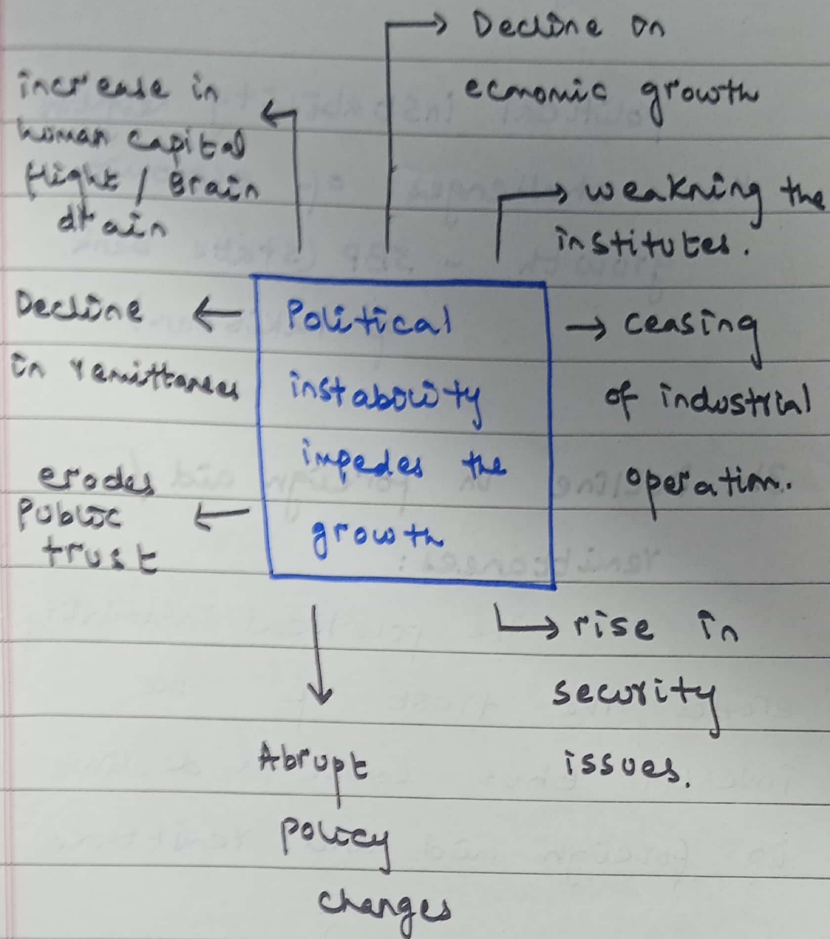
Its manifestation can be

seen in Pakistan in the following ways:



There was a 6% avg annual growth rate in the first forty years of independence. However, after that there is a significant decline and the major reason is weak governance institutes

— Dr. Ishrat Hussain
(governing the ungovernable: institutional reforms for democratic governance in Pakistan)



3. POLITICAL INSTABILITY: IMPEDING THE GROWTH OF THE COUNTRY

3a. Decline in economic growth.

The political instability is directly linked with the economic growth. The greater

is the political instability, the greater is the decline in economic growth.

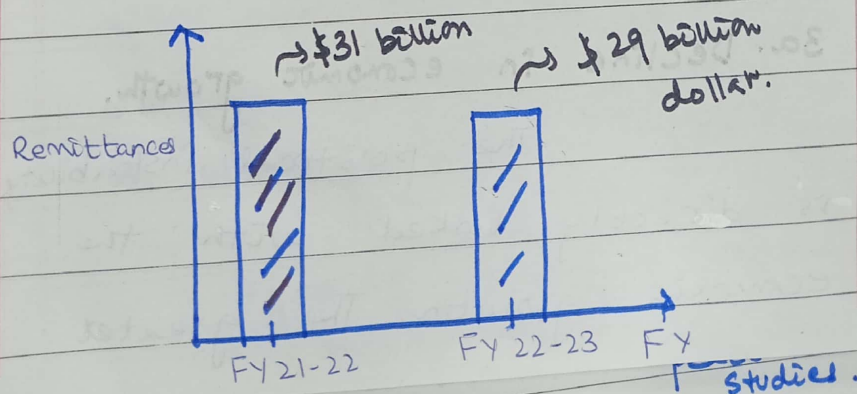
political instability heightens the challenges of economic growth - SBP (state bank of Pakistan)

3b. Decline in foreign aid /

Remittances:

The political instability erodes the trust of the investor thus cause a decline in foreign aid and remittances.

After the elections of 2024 the stock exchange \uparrow decreases by 1000+ points - SBP.



3c. Ceasing the Industrial operation

Political instability in Pakistan is also ceasing the industrial operations, affecting the livelihood of many people.

The delay in issuance of letters of credit has caused shutting down of industries - SDPI report.

3d- Rise in Security issues.

political instability has caused a rise in security issues including an increase in terrorism attacks.

political instability has exacerbated the security dynamics, with the 52% increase in terrorism attacks in FY 22-23. - Pakistan institute of peace studies.

3f - Weakening of the institutions
Due to lack of
proper governance and accountability
the institutions begin to
undermine

Pakistan ranks 140 out of
147 in the corruption perception
index.

3g - Increase in human capital
flight / Brain drain

The political
instability has caused an
increase in human capital
flight. As youth is disappointed
from the governance system,
and is not ready to serve
the country.

About 2 million people
moves to other countries in
Fiscal year 22-23 -
Ministry of
overseas

24. Erodes public trust.

The political instability also erodes the public trust. And their lack of confidence can reduce the public compliance with laws and regulations.

A Gallup Pakistan poll showed that 64% of Pakistanis felt that the country was heading in wrong direction.

Conclusion:

In a nutshell, political instability has a ripple effect it causes a decrease in foreign aid, increase in human capital flight, weakening of institutes and erodes public trust.