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In order to bring Political Stability in Pakistan, Economic Stability is required

OUTLINE:

1. Introduction:

Thesis statement: Amid myriads of problem Pakistan is facing today, economic and political instability remains the prominent ones. Tracing back to the history of Pakistan, politics and economy have always been interconnected while influencing the outcomes of one another. To achieve a stable political system in Pakistan, a strong and a stable economic system is very imperative

2. History of political and economic instability in Pakistan

3. Correlation of politics and economy of Pakistan

a. Economic decisions have always

been taken in political context.

b - Involvement of military in the economic sector of Pakistan

c - Role of politics in determining the type of economic institute present in country

d - Tax biases and tax exemptions by the people holding political power

e - Energy crisis due to deep governance failures

4 - How economic stability is imperative for political stability of Pakistan

a - Economic stability will create equitable environment for everyone while undermining the prospect of concentration of power and wealth

b - Economic stability will lead towards political centralization

c - A strong economy will address all regional disparities leading to stability of political demands of all provinces

d - Economic stability will bring confidence of people in

government, leading toward political stability

e. By investing in innovative tools and technologies, an economically stable country can quell corruption in every sector leading to political stability

f. Economically stable country allow smooth functioning of governance

g. Economic stability will leads toward pragmatic policy implementation resulting in political stability.

5. Conclusion.

"Inclusive economic and political institution leads towards prosperity, while extractive political and economic institutions leads towards poverty and failure"

(Why Nation Fails, Daron Acemoglu and Robinson)

Since the inception of Pakistan, the country faced series of political and economic turmoils. These series of instability has adversely affected every aspect of positive social development in Pakistan. Political instability followed by military coups had catastrophic impact to the core fabric of economic development. Among myriads of problem Pakistan is facing currently, economic and political instability is the prominent ones. Tracing back to the history of Pakistan, politics and economy have always been interconnected

while influencing the outcomes of one another. To achieve a stable political system in Pakistan, a strong and a stable economic system is very imperative.

Political and economic instability syndrome has always been inflicted to Pakistan since its inception.

A series of military coups followed by dictatorship had adversely damaged the core of the country.

The lust of power among the political sector of Pakistan has contributed to the instability and deteriorated political sector. Similarly,

Pakistan saw a period of economic prosperity in 1980s when its

per capita income were among the highest in South Asia. From

2000 to 2021, the ^{average} per capita income of Pakistan was 1.7 pc's,

less than half of the per capita income of South Asian countries

Economic instability followed by poverty, inflation and unemployment

has further exacerbated the instability of Pakistan. Hence, Pakistan saw political and economic instability since its inception.

Politics and economics has always been correlated as decisions of one sector has consequences on the other sector too. Economic decisions have always been taken in political context. People entrenched with power has always molded the policies in their favour resulting in horrendous consequences on both sectors.

In Pakistan, economic decisions and outcomes has always been intertwined by political considerations, making it very difficult to separate economic policies and political context in which they are made.

(Issues in Pakistan's Economy:

A political economy perspective of Pakistan, S. Akbar Zaidi)

Hence, economic decisions and policies has always been taken

by favouring the political ideologies resulting in instability.

In the same way, the involvement of military in the economic sector of Pakistan has always been the contentious issue. Military being a strong institute have a strong influence on the economic sector of Pakistan. Economic policies should be made by keeping in view the dire need of hour rather than by the influence of other sectors.

The involvement of military in the economic sector of Pakistan extends beyond defense, having profound influence in the policies and outcomes of economic sector (Issues in

Pakistan's Economy: A political economy perspective of Pakistan, S. Akbar Zaidi). Hence, the involvement of military in the economic sector highlights the

correlation of economic and political sector of Pakistan.

Moreover, the type of economic institutes present in Pakistan is determined by the people holding political power.

The type of economic incentives in the country is determined by the decisions made by the people with power. A good political sector with visionary leader can bring economic stability and vice versa. Economic incentives is determined by the economic institutes a country has; incentive to get educated, save and invest and so on. It is politics who decide the type of economic institution has.

(Why Nations Fails, Daron Acemoglu and Robinson)

In a nutshell, politics and economy are correlated as politics has direct influence on the type of economic institute possess by the country.

Similarly, tax biases and tax exemptions are done by the people with power resulting in deteriorated fabric of economic sector of the country. People holding political power consider themselves above law by avoiding tax on their expensive assets. Pakistan follows a very inequitable tax system where wealthy people with political background avoid tax easily and on the other hand poor people of the country is being burdened by the tax system. Chief secretary of IMF, Kristalina Georgieva has advised Pakistan to collect tax from wealthy people. This statement shines light on the inequitable^{tax} system of the country. Hence, Politics have strong influence on the economic instability or prosperity of country (if the power) depending upon the use of power.

Moreover, Pakistan is facing energy crisis which is caused by deep governance failures. It is the responsibility of the political sector to ensure that sufficient resources is available to the country by effective policy decisions.

The energy crisis in country, followed by high production cost and transmission loss reflects light on the poor governance of the country. The energy crisis in Pakistan is not just a technical issue. It reflects light on deep governance failures that is exacerbated by political instability, corruption and poor policy implementation.

(Issues in Pakistan's Economy: A political economy perspective of Pakistan, S. Akbar Zaidi).

Hence, political instability and governance failure results in economic instability of the country reflecting light on the correlation of both sectors.

Moreover, a country with economic stability create equitable environment for everyone. This equity undermine the prospect of concentration of power among small group of elites having political background. ~~eventually~~ resulting in stability of political sector of country. Powerful people here and everywhere try to seek a complete grab over every institute, thus undermining every aspect of positive social development keep them under check of democracy or watch your nation fails (**Why Nation Fails, Daron Acemoglu and Robinson**). Economic stability will prevent the concentration of power and wealth which will ultimately results in the stability of political sector of the country.

In the same way, economic stability will result in political centralization. Polarised politics

is the major reason of the instability in political sector of the country. Economic stability will result in strong state that is able to take necessary pragmatic policy decisions that will help quell polarised politicization. Political centralization will again provide benefits to the economic sector of the country. Political centralization is very essential to have a strong state that is able to enforce law and provide public services (**Governing the Ungovernable**, **Ishrat Hussain**). The future of Pakistan depends on its ability to navigate complex interplay of political, social and economic sectors where visionary leader and pragmatic policies is the necessity. (**Issues in Pakistan's Economy: A political economy perspective of Pakistan**, **S. Akbar Zaidi**). Hence, a strong economic base of the country provides

a platform for political centralization resulting in stability of political sector.

Similarly, a strong economy will address all regional disparities leading to stability by addressing the political demands of all provinces. Regional disparities has always been the point of contention between the provinces where less developed provinces demands similar economic and developmental benefits like the developed provinces. In Pakistan, economic development has always been uneven marked with regional disparities which is aggravated by the grievances and the demand of autonomy from less developed provinces

(Issues in Pakistan's Economy:

A political economy perspective of Pakistan, S. Akbar Zaidi)

So, a economically stable country will have enough resources and

finances to address the need of all provinces which will ultimately leads to political stability among provinces.

Moreover, economic stability will bring back the confidence of people on the governance system of country. A economically stable country will invest on public services and social developments which will create a positive perspective of country in the minds of people. The real problem of Pakistan's ^{economy} is not its size but its structure that donot allow the public to participate in and get benefits from development (Michael Kugelman, *The Troubles in Pakistan's Economy*). Economic stability will address this problem and eventually people will get benefits from all the development prospect of the country. The increase in public participation

and their confidence on the governance of the country will ultimately results in political stability.

In the same way, corruption serves as the major impediment in the way of political stability.

A economically strong country will be able to invest in the

innovative tools and technologies that can help quell corruption

in every sector. Inclusive

economic and political institute create incentives to innovate,

save and invest. (Why Nation

Fails, Daron Acemoglu and Robinson).

Hence, economic stability can help provides

tools and techniques to

get the country out from the

quagmire of corruption resulting in a stable political environment of the country.

Moreover, a economically stable country allows smooth

functioning of governance. A country having the ability to use all the possible resources for the development and prosperity of the country functions smoothly. So, economic stability provides confidence to every sector to function smoothly resulting in stable governance and political environment.

Moreover, Economic stability will lead the country toward pragmatic policy implementation which will result in political stability. Ineffective policy implementation has always been the impediment in the way of political stability. An economically stable country has the potential to pragmatically implement the policies that are necessary for the country leading to political stability.

In a nutshell, Pakistan has always been inflicted with the

political and economic instability.

These two institutions has always been correlated where instability of one sectors have adversely affected the other sector too.

The strong influence of these sectors are undeniable and to bring stability in both sectors, economic stability should be first focused. Economic stability in the country will equip the country with all the tools that is necessary to bring stability in political sectors. Economic stability will help address every issue that serves as impediment in the way of political stability.

Pakistan's economic crisis is as much a political as it is an economic crisis.

(Professor Jeffrey Sachs)