

Can the economy be sacrificed in the name of political polarization?

Outline

1- Introduction: Thesis statement:

A healthy economy is the symbol of prosperity. But, unfortunately Pakistan's economy is sacrificed due to long-prevailing political polarization including lack of consensus, surge in unemployment, abuse of funds etc. Hence, economy in Pakistan is sacrificed in the name of political polarization.

2- A healthy economy leads to prosperity

3- How economy can be sacrificed in the name of political polarization?

- a) Lack of consensus among political parties on the national interest.
- b) Political polarization leads to surge in unemployment.
- c) Political instability has promoted the risk of balance of payment crisis.

- d) Abuse of funds by political parties has crumbled economic growth
- e) Rampant corruption has increased tremendous debt

4- Political polarization has not the total roots in economic downturns

- a) Several consensus oriented policies on the national interest are framed
- b) Unemployment is not due to political polarization, but due to weak human capital
- c) Balance of payment crisis is not due to political instability, but due to focus on imports for needs
- d) Certain amount of fund is allocated for developmental projects for economic prosperity
- e) Corruption is discouraged by political leaders and certain amount of loan is paid

5- Political polarization - the pillar of economic meltdown

- a) Consensus oriented policies are just paper-based, but not implemented

- b) Weak human capital due to political polarization leads to surge in unemployment
- c) Weak opposition role on import and export policies leads to balance of payment crisis
- d) Lack of transparency in implementation of fund is prevailing due to political polarization
- e) Not specific payment of loan, but rampant corruption has sacrificed economy

6- Conclusion

"Economic growth of Pakistan is crumbled due to politicking." (Malcehs kadh, politicking power, 2020). A healthy economy is the symbol of prosperity. But unfortunately, Pakistan's economy is sacrificed due to political polarization including lack of consensus, surge in unemployment, abuse of funds etc. Hence, economy in Pakistan is sacrificed in the name of political polarization. A healthy economy is the backbone of a healthy nation. Due to

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Several political wills such as, no consensus on the national interest-based policies, leads surge in unemployment, spike balance of payment crisis (BOP), misuse of funds, and rampant corruption. However, it can be blamed on weak human capital, import needs and can be claimed the repayment of loans etc. Despite all above, political polarization has sacrificed economy of Pakistan as consensus oriented policies are just paper based, weak human capital is due to politicking; no effective role of opposition on import-export policies, lack of transparency and rampant corruptions are evidents of sacrificed economy due to political polarization. To cut a long story into a short, political polarization is the root cause of economic downturn.

A healthy economy leads to prosperity. In fact, there is no prosperity

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without economic stability. The happiest nations in the world are due to economic bloom. As, China is growing due to the healthier growth of its economy and is leading the whole globe. As per economic survey, China is become the second (2nd) largest economy of the world with its GDP of 19.9 pc in 2021. (Rise of economy of China, economic survey, 2022). Therefore, it is obvious from above figure that economy is the symbol of prosperity.

Economy of Pakistan is sacrificed due to political polarization. Among which lack of consensus among political parties on the national interest is on the top. In fact, political parties in Pakistan lack consensus on the national interest due to their political will. The issue of Single National Curriculum (SNC) is a clear witness of no consensus for one policy of the whole nation is

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government
favour. As per Sindh
govt decision, "provinces
are free to decide
own policy on education
and the decision of
central government is
not binded." (Sajad
Munir Ali Shah, Chief
Minister of Sindh, 2020).
Therefore, lack of consensus
oriented policies leads
economic downturn.

Moreover, political polarization
leads surge in unemployment
that weakens the roots of
economy. Obviously, peak
unemployment is a symbol
that economy is paralyzed
and behind this paralyzed
economy there is the hand
of political polarization.
Due to political instability,
there is no focus on employ-
ment for the youth. According
to the latest update,
about twenty-five million
young in Pakistan are
graduated in information
technology and are jobless.
(The future of IT in
Pakistan, Zubaida Mustafa,

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2022). Hence, political polarization has led unemployment at peak.

Not only unemployment, but balance of payment crisis (BOP) has also a threat to the economy. Pakistan is the third-world country that has a serious issue of (BOP). In fact, BOP crisis is a long prevailing issue in Pakistan due to successive government and politicking. Fiscal year 2022-2023, the government faced eighteen (18) bn \$ deficit, among which \$ 44 bn were trade deficit and \$ 13 bn were payment of loan. (State Bank of Pakistan, 2023). Hence, political polarization has promoted BOP crisis -

Along with BOP crisis, abuse of funds by political parties has crumbled economy of Pakistan. Pakistan is one among developing countries that needs to spend on developmental projects to strengthen economy. Unfortunately, abuse of funds

is become a common problem due to political polarization.

The short term goals due to successive government after every five years are never implemented completely.

As a result, abuse of funds by political parties is a prevailing problem.

Therefore, economy of Pakistan is crumbling due to misuse of funds by political rulers.

Least but not the least, rampant corruption has increased tremendous debt on the economy of Pakistan. Pakistan's economy can not survive without loan. Every successive government coming into power has taken first step to acquire loan. Fiscal year 2022-2023, the loan was acquired the worth of \$36 billion. (Economy in crisis, Malesha walhi, 2023) - Therefore, rampant corruption and of political leaders has increased tremendous debt of

loan on economy of Pakistan.

Despite above facts, certain arguments are in the favour that political polarization is not responsible for economic meltdown as several consensus oriented policies are framed. These consensus oriented policies on the national interest are in the favour of prosperous future of economy. The issue of single national curriculum (SNC) is not more among political parties, hence it shows strong unity on the national interest. As per update, "SNC will be followed in all four provinces till intermediate". (Consensus will of central and provincial government, Hina Saleem, 2023). Therefore, consensus oriented policies are framed by political parties.

Further, the issue of unemployment is not due to political polarization, but due to weak human capital. Pakistan is

far beyond of human capital outcomes. The youth in Pakistan are not manifesting their skills to get opportunities of jobs in different departments.

As per report of the World Bank, Pakistan is the lowest in human capital and it will take years to make average of human capital till 2040. (The World Bank report on human capital, 2023).

Therefore, unemployment is due to weak human capital, not political polarization is responsible.

Furthermore, BOP crisis is also due to import-dependent needs. Pakistan's economy is almost dependent on import as public are luxuries lover. Moreover, trade deficit is also due to import ratio is higher than that of export.

Pakistan's 60% of trade deficit is due to dependency on

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hydrocarbon, imported raw-material for energy generation. (Pakistan Bureau of statistics, 2021). Therefore, BOP crisis is due to import dependency, but not due to political polarization.

Not only this, but certain amount of funds are also allocated to support economy. It is a clear witness that political polarization is not the only root cause of economic downturns. Every year, government of Pakistan allocates special fund for developmental projects to encourage economic growth of Pakistan. As per recent update, the federal government has announced Rs 950 billion for Public Sector Development Programme (PSDP). (The statistics from Budget report of 2023-2024). Therefore, political polarization is not responsible for economic downturn and hence, no compromise is on funds for developmental projects.

Lastly, corruption is always

discouraged by political leaders and certain amount of loan is paid in every government. Every government in Pakistan has its policies on economic growth in which re-payment of loan has a specific position. For this, a good example is in the previous government see in the context of loan payment. Almost \$34bn of loan was paid by the former government of Pakistan (State Bank of Pakistan, 2023). Therefore, there is no compromise on economic growth as corruption is discouraged and loan is paid despite political instability.

All above facts are not enough to disagree that political polarization is free from economic crisis. Rather, economic crisis are due to deep-rooted political polarization in Pakistan. The chief example of this is paper-based policies of

political leaders. Since the creation of Pakistan, a huge mass of paper-based policies is become a common trend in Pakistan. Due to long-prevailing political instability, policies are never completely implemented that as a result has weakened economy of Pakistan. Therefore, a pile of consensus oriented policies are just paper-based due to political polarization.

Along with paper-based policies, weak human capital is also promoted by politicking. Pakistan's economy has suffered due to political polarization in the form of weak human capital. In fact, human capital is never improved and is never focused by political parties. As per report of the World Bank, Pakistan's economy is 60% suffered due to no focus on human capital and if it would be focused, there will be eight times growth in per GDP. (World Bank report, 2023). Thus,

The loss in economy due to weak human capital is led by political polarization.

Besides weak human capital, weak opposition role on import and export policies leads to balance of payment crisis. BOP crisis is due to weak opposition and no discouragement on politicizing favour policies results in economic crisis.

As majority of the nation considers it due to failure of opposition role.

According to survey, seventy-seven (77) % of population thinks country is walking in the wrong direction. (Political survey done by youth, 2022). Therefore, weak opposition role as a political instability leads to economic crisis.

Not only weak opposition role, but vague in implementation of funds by political parties is also the root cause of economic

crisis. Pakistan's economy is teared due to lack of transparent implementation of funds by political parties. In fact, it is the responsibility of the government to ensure transparent and fair use of funds for economic prosperity. But, unfortunately, Pakistan has been in economic crisis for decades due to political polarization. Hence, political polarization leads to vague spot in implementation of funds for economic growth.

The last but not the least, Pakistan has suffered rampant corruption of political parties since its creation. Pakistan is the top among corruption prevailing countries. This is due to political polarization by every successive government. As per corruption index report, Pakistan is ranking as the seventh most corrupted country in the world.

(A report from corruption

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perception index (CPI) 2001.
Therefore, rampant corruption due to political parties is the witness of economic crisis led by political polarization.

To sum up, Pakistan's economy is sacrificed by political polarization. In fact, Pakistan's economy has lost its future due to long-prevailing political instability in Pakistan. Several indicators leads to economic downturn, such as surge in unemployment, BOP crisis, abuse of funds and rampant corruption are indicators led by political polarization. Further (paper-based policies), lack of transparency in funds for development, weak opposition role etc has destroyed economy of Pakistan. Therefore, all above facts are validating the statement that economy is sacrificed in the name of political polarization.

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"Political p~~ol~~itization
weakens the base and
foundation of economy!"
(-Nelson Mandela)

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