



## **Political Instability Explains Political Economy of Pakistan: A Retrospective Analysis**

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### **Abstract**

Pakistan is among few countries of the world where political instability badly damaged the economic growth despite tremendous resources. This paper focuses on the interplay of political decisions and national economic growth in Pakistan. The primary aim of the study is to give a discursive historical analysis of political instability in Pakistan and how it worsened the economic growth. The study finds that the economic mismanagement is the result of lack of vision, will and capability of the political leadership in Pakistan. Another conclusion this study draws that the military regimes performed better than civilian governments. The study conclude that nature of Pakistani federation and its tug of war for power with federating units lead to uneven development in Pakistan which messed up the commercial cities of Pakistan because of population influx.

**Keywords:** Political instability, political economy, retrospective analysis.

### **1. Introduction**

The relationship between politics and economy remained a favorite subject of economists. Pakistan's history reveals strong correlation between the two. Although with the changing pattern of politics and governments, the relationship never remained on the same pace. The topic of this research focuses on the assumption that political instability deeply causes the uneven economic growth. The causes and impact of the interplay of politics in economy in Pakistan are briefly discussed.

The politics in Pakistan has dominated economic decision-making in the country. In sixty five years of history, Pakistan experienced military and civil rules. However, during the civil rule, military remained a major stakeholder in the decision-making.

Pakistan's army has stake in the economic development of the country. As Siddiqa (2000) argues the Pakistan military as a major stakeholder in the economy has gradually moved from the traditional paradigm of claiming the state's resources from the national budget to a situation where it has built stakes in all segments of the economy such as agriculture, service and manufacturing industries. Pakistan army controls about 23% assets of the corporate sector with two foundations, the Fauji Foundation and the Army Welfare Trust, representing two of the largest conglomerates in the economy (Siddiqa, 2000). Military has far greater power to influence in the political and economic decision making.

This seems interesting and ironic at the same time that Pakistan's economy always improved during military rule. Pakistan's economic growth remained unprecedented during Ayub Khan and Pervaiz Mushurraf's period. Pakistan's manufacturing, industrial and agricultural sectors performed robustly and data show that the fiscal gap has been reduced during military rule. Mega projects and infrastructural development and capital investment touched highest during military regimes. Another interesting observation is that the

people of Pakistan always welcomed military interventions in the history of Pakistan. Probably they had seen some remedy from the gross mismanagement of economy, bad governance and rampant corruption of civil governments.

Pakistan Army has an instrumental role in the political process and its continuous intervention in the politics of Pakistan made it an inevitable institution of the state (Jalal, 1990). The nature of Pakistani society is also one of the major determinants of politico-economic trends. Elite, middle, lower middle and socially excluded classes in Pakistan are divided on sharp lines among themselves. Zaidi (1999) views middle class as change agent in Pakistan. He is of the opinion that the middle-class revolution underway in Pakistan has taken place side by side with the failure of governance. Middle class attributed this failure to the elite class of Pakistan. In this elite class the representative of feudal and industrialist class form the nexus that developed close bond with Pakistan army. Middle class in Pakistan does have sense of economic agenda but they could not find way to the corridors of power in Pakistan (Zaidi, 1999). These classes are further confined into ethnic and *bradari* levels.

Pakistan's ethnic diversity proved to be detrimental to national economy. The data show that state's efficiently operating institutions eliminate the negative effects of ethnic diversity, but it did not happen in Pakistan. The reason is that the federating units have turned into ethnic-centered entities in Pakistan conflicting with each other. Social classes found ethnic diversity a useful tool for promoting their self-interests (Nayak, 1988).

In a multi-ethnic society, the perception of exclusion or non-participation in the decision-making process leads to suspicion, lack of trust, and non-cooperation on the part of the minority ethnic groups, and this perception is promoted by the elite belonging to the various ethnic groups for their own self-interest. This is exactly what happened in Pakistan during the periods of military.

Have a look on economic side of Pakistan. A closer analysis, though, reveals that the roles of the market and state that are essential elements for the success of market-friendly strategy of development leading to equity and sustainability have in fact been reversed in the case of Pakistan. Large scale private entrepreneurs in Pakistan have been protected from the forces of market competition and have been provided ample rent-seeking opportunities by government policies. Number of studies has documented the evidence of high rates of effective protection, negative value added at world prices, and high domestic resources costs (Nayak, 1988).

Another observation about Pakistan's economy is that the development was not holistic. There is big gap between developed and under developed areas. Besides that, the economic managers of the country did not pay attention to the pattern of growth which was as important as was the speed of growth. It is proven elsewhere that the sectorial and regional pattern of development strategies have a great influence on income distribution and poverty reduction. If public policies favor labor-intensive activities such as labor-intensive exports, small-scale industries, and agriculture, and assist the development of neglected, highly-populated regions, poverty is reduced faster than otherwise (Khan, 1999). Poverty reduction is correlated with agricultural growth rates. Institutions responsible for economic growth take balance initiative between urban economy and ruler economy that ensures greater equality in wealth, human capital, and political power (Khan, 1999). Close scrutiny of PRSP papers clearly indicate political influence on economic decision-making specially in reducing the poverty. In Pakistan, as discussed above, the major stakeholders of economy in Pakistan are Army, industrialists and feudal, who are also parliamentarians, exercise stakes more than the state itself. Political economy, therefore, provides a framework of analysis to the state and civil society.

The perspective of political economy of state (particularly, of developing neo-colonies) is predicated upon two critical and interrelated themes, the problem of development and state structure. The debate between two schools of thoughts that is Marxist and liberal corporatism offers historical and political justification for their preferred solutions. Pakistan by and large is the case of liberal corporatism. A misdirected Marxist model adopted in certain sectors of economy and state structure during Zulfiqar Ali Bhutto's period that utterly failed (Hasan, 1998). Liberal corporatism is an attractive alternative to the pluralistic model that clearly suggests the role and importance of the state.

But Pakistan is different case because of political instability that badly affects the line and length of the economy of this country. This research is about to explore the impact of political instability on Pakistan's economy. The political economy framework of analysis will be used to explain the relationship between politics and economy.

## **2. Literature Review**

**Literature on Pakistan is both enormous and varied. Some of the themes on which these researchers were** undertaken relate to the origin of the state of Pakistan and various other problems related to the ideological, political and socio-economic levels of this developing state. It is difficult to bring such a gigantic literature within the scope of critical scrutiny.

Among early researchers, Callard's (1957) brilliant political analysis exposed the intensity and frequency of socio-political in-fighting among various *baradaris* (quasi-endogamous communities) which contributed to unstable political forms. But even the best of analysis is no substitute for a politico-economic analysis which only can reveal the underlying, motivating forces at work. No wonder, therefore, that the penetrative analysis of observed political process by Callard (1957) exposed at the same time some of the uncalled for judgments he passed on them. To cite an example he observed in the year preceding the 1958 coup that "the civil service and the army have shown no desire to back any potential dictator" (Callard, 1957).

Saeed (1978) has moved from one set of biases to another in his interpretations of national events. While in his early works, Saeed's (1978) main emphasis was on Muslim nationalism and Jinnah's charismatic leadership as the two decisive forces which shaped the emergence of Pakistan, later on he switched over to a modified Marxist thesis of Bonapartism to account for the direction of political change in Bhutto's Pakistan. While he chose to base his arguments on Hamza Alavi's well-known thesis of a post-colonial state mediating among the metropolitan, landowning and local bourgeois classes, he slides, rather inconsistently, into psychological explanation that Bhutto was primarily motivated by *animus dominandi*, the aggrandizement of his own power at the expense of every major class or organized interest group (Saeed, 1978).

The overthrow of the people's government by the military Junta again in 1977 attracted probing theoretical attempts to understand what really went wrong with Pakistan under an elected government. Two important theses were offered to capture the realities of the state structure. Burki (1980) insisted that Pakistan's history can only be viewed 'in terms of the forces, social, economic and political that made Jinnah, Liaquat, Ayub, Yahya and Bhutto possible. Burki's (1980) conflict approach arrives at the conclusion that Bhutto's fall was brought about by alienation of Pakistan's middle class which comprises heedless of any differentiation, all types of vague, academics class categories like 'urban socialists, urban democrats, rural left, rural progressive etc. However, Burki (1980) has not provided any substantial data to support his central thesis that the middle class farmers suffered under Bhutto.

Alavi (1972) emphasizes the role of civil military bureaucracy in shaping the peculiar power structure in Pakistan. According to him, 'the state in a post-colonial society is not the instrument of a single class. It is relatively autonomous and it mediates between the competing interests of the three propertied classes, namely, the metropolitan bourgeoisie, the indigenous bourgeoisie and the landed class, while at the same time acting on behalf of them all to preserve the social order in which their interests are embedded, namely the institution of private property and the capitalist mode as the dominant mode of production'. For Alavi, state, for all practical purposes, means the military-bureaucratic oligarchy.

Nayak (1988) offers a detailed account of Political development and its impact on economic growth in Pakistan. He gave a plausible argument that Pakistan unfortunately got areas of weaker socio-economic formations not only lacked a minimum level of internally differentiated polity and society but also, precisely for the same reasons, did not possess sufficient strength to face the pulls and pressures of the world capitalism. This built in constraint of the state structure in a developing society has no novelty about it, but in the case of Pakistan, this constraint was unduly heavy as compared to other liberated nation-states.

Ali (1996) presents a comprehensive view of political economy of Pakistan that included major sectors and impediments to economic stability in Pakistan. The overall slant of the book is suggestive. He provides remedies to economic problems emanate from political decision making. His narration of bad governance and corruption provide further insight into the misdirected development in Pakistan. From administrative

reforms to land reforms and from industrialization to national security, he put up a convincing thesis of multiple strategies to bring the economy back on the right track.

Literature is also produced on the political economy of rural development in Pakistan. Ali (1982) edited a book on the theme. His own chapter in this book covers agricultural modernization in Pakistan. He emphasizes the role of public sector institutions and their policies aiming agricultural modernization. He includes social reforms through education, better health facilities and technical skills of growth in agricultural production. Alavi (1976) gives a fantastic interplay of politics and economy that played havoc to rural development. Sanderatne (1974) also present an interesting nexus between land owner and land reforms in Pakistan.

This brief review of literature selected influential studies which help in explaining the interplay of politics, society and economy in Pakistan.

### **3. Political Economy**

The question need to be answered is what were the underlying political and non-economic factors that led to this state of affairs? There are many possible answers to this question. The main proposition of this research is that the failure of governance and the consistent domination of political power and state apparatus by narrowly based elite seeking to advance their private and family interests to the exclusion of the majority of the population lie at the root of the problem. Although there have been several regime changes—nominated, self-appointed, military, elected--- the same small group, or its associates has always been well-placed. The poor quality of economic and political governance and the reversed role of the basic economic institutions-- - the state and the markets have grown worse over time. The continued lack of accountability by the policy makers to the public has been one of the important characteristics of the weak governance structure in Pakistan. This, in turn, has allowed varying rules, regulations, and policies to govern the distribution of patronage to supporters or to penalize the opponents. The regulatory orders issued by the tax authorities, State Bank, Ministry of Finance and Commerce have been used liberally to serve particular interests, creating socially inefficient and inequitable outcomes for the economy but large personal gains for the individuals concerned (Government of Pakistan, 2001).

Instead of striking at the roots of these economic disparities created by the market due to differences in initial distribution of endowments and defusing the bomb of potential ethnic conflicts, arising out of regional disparities the ruling coalitions in Pakistan have put all their energies into retaining or assuming power. This resulted in the decay of institutions, particularly the judiciary and the financial and educational institutions. Long term policy designs for economic and human developments were seriously affected because of wrong political decision makings (Husain, 1999).

#### **3.1 Political instability at a glance**

Military and civil rules in Pakistan did not facilitate efficient and independent institutions. Reasons are many vary from social structure of the country and geopolitical exigencies of a nascent state. Indian fear syndrome had established the viability of Pakistan Army in the state of affairs, especially in foreign policy matter from the inception of country. Land reforms, sub-nationalism, provincial identities, language controversies started contributing in the weakening of the state by every passing day. The dull below happened in the very next year of the birth of Pakistan, when father of nation Mohammad Ali Jinnah was died in way from Ziarat to Karachi.

The assassination of Liaqat Ali Khan removed all doubts from the minds of the people of Pakistan that the country after getting independence from colonial control fell into the control of neo-colonialists that is the landowning class which developed close nexus with Army. Khwaja Nazimmudin's dismissal had proven that how feudal-military nexus turned the political tables in the country. Constitution-making purposely delayed because of the tug of war among the institutions and state departments. General Ayub Khan was ready to capitalize on the existing political instability in the country. He had good exposure of state affairs being a close associate of Governor General Ghulam Muhammad. Ayub Khan had introduced number of experiments that had profound impact on the future politics of Pakistan. One of them is the shifting of capital from Karachi to Islamabad. That was not only the physical shifting but it shifted the focus of politics from Karachi to Punjab. Ayub Khan introduced a new idea of controlled democracy. Basic Democracy System was the brainchild of Ayub Khan through which he strengthened its position on state functionaries.

His agricultural and industrial reforms gave big boost to economy but failed to introduce inclusive development. A new industrial and landed aristocracy had been patronized and the political trends had been changed in this period. After 1965 Pakistan-India war, another important political development during Ayub regime was the uprising in East Pakistan which was totally mishandled by ruling elites of West Pakistan. Under mounting pressure Ayub Khan had to handover the power to another general Yahya Khan who did not comprehend the magnitude of uprising in East Pakistan and Pakistan broke up just because of denial of democracy and administrative mismanagement (Ziring, 1971).

Zulfiqar Ali Bhutto tried to impose an "Islamic socialist" regime that was neither religious nor socialist. The military hung him in 1979, leading to Zia ul-Haq's 10-year interregnum, which ended in a still-mysterious 1988 plane crash. Benazir Bhutto and Nawaz Sharif then served twice as prime minister from 1988 to 1999. Nawaz overreached himself, and the military deposed him by a bloodless coup. The military's dominance will likely continue for several years, even if the forthcoming October 2002 elections lead to the creation of a nominally civilian government under guided military supervision. President Musharraf (2000-2008) introduced several steps to improve the condition economy. His political reforms set the popular participations in the democracy in Pakistan. Devolution of Power Plan, eighteen years voters age increase the size of electoral college, increase numbers for women reserve seats, new electoral constituencies and last but not least the opening of number of independent news channels are significant steps that paved the way for genuine democracy in the country. Strong and elected local government system performed in major districts of Pakistan. At present the government formed after the election of 2008, did not hold local government elections in any province that reflect the seriousness of the self-claimed pro democratic political parties ruling the country.

This political instability also manifested itself in Pakistan's failed efforts to establish a functioning constitution or hold regular elections. In sixty five years, Pakistan has had three constitutions created in 1956, 1962, and 1973 (Duncan, 1989). In 1985 Zia-ul-Haq fundamentally altered the constitution by inclusion of the Eighth Amendment established a president-dominated executive. Then, in 1998 Nawaz Sharif repealed this amendment. Musharraf and his military colleagues (backed by legal advisors skilled in such endeavors) appear ready to undertake a fresh attempt to create a new constitutional order which was again amended by the 18<sup>th</sup> amendment in 2010.

Pakistan presents inconsistencies and misdirected democracy that insinuate dirty role played by number of stakeholders not to strengthen the state but to strengthen them.

#### **4. Impact of Political Instability on Pakistan's Economy**

The above analysis of Pakistan's politics reveals inconsistencies in economic policies and planning. These inconsistencies stem from personal interest, provincial biases, and economic beliefs of the leadership. Here, keeping in view the above analysis, Pakistan's economic performance that directly or indirectly affected by the political decision-making in Pakistan is presented below.

##### **4.1 Economic Performance under political decision-making**

The decade of 1950s earmarked with the institutional infrastructure for rapid industrialization. This included the creation of the Planning Board, Pakistan Industrial Development Corporation and Pakistan Industrial Credit and Investment Corporation. Despite political instability, the formative phase of Pakistan (1947-1958) established state institutions that run the state affairs of a nascent state.

Ayub Khan took over in 1958 and set the new standards of economic growth. Ayub Khan strongly supported public institutions and reformed agricultural and industrial sector in Pakistan. He improved the investment climate for the private sector and his ability to delegate authority to his economic managers were all responsible for the dramatic turnaround in investment and growth in both East and West Pakistan, in sharp contrast to the economic stagnation in the second half of the 1950s. However, almost single-minded focus on economic development was possible only because the large-scale military assistance which started in 1954 and the continued strong foreign policy alignment with the US reduced the gap between defense and development.

The development process was slowed down by the escalation of tension with India. The economic consequences of the 1965 war were even more disastrous for Ayub Khan. It left a deep distrust in East Pakistan. In economic policy terms, the major failures of the period were the perpetuation of the industrial and trade policies of the 1950s and an excessive reliance on external assistance. But, overall, the guided democracy produced healthy economy in the first half of 1960s (Noman, 1988).

Despite major economic policy failures, the Ayub era was an exceptionally successful period of economic management. Large investments in water and power, generally effective use of public resources, conservative monetary and fiscal policies, focus on family planning, genuine attempt to reduce regional disparity between West and East Pakistan, and forceful efforts in support of the spread of green revolution were all important elements of good economic management.

Ayub Khan adopted incentive to private initiative. In the forward to the Third Five Year Plan, he wrote:

“Our approach to economic planning has been pragmatic all along... In fact, the government has gradually removed most of the administrative and bureaucratic controls which hampered progress of the private sector. The result of this approach has been the rapid growth of private capitalism in Pakistan. It is not surprising, therefore, when businessmen in Pakistan also entertain the same philosophy and harbor not the slightest doubt. In my mind, Jinnah and the Muslim League were in favour of private enterprise; there was no question at the time of any other system (Government of Pakistan, 1965)”.

Foreign assistance used in development projects, monetary and fiscal policies remained conservative and development in East Pakistan was also greatly quickened. However the strategies adopted to reduce the regional disparity between East and West Pakistan were unrealistic and proved futile (Ziring, 1997).

There is some valid criticism on economic boom during Ayub's regime. The 1960s represented a boom decade particularly for manufacturing which had a 10 per cent growth rate. However, the small base in this period and that sustaining such high growth rates becomes progressively more difficult. Foreign aid and market oriented policies gave the economy an impetus but on the other hand the nature of the crony capitalism practiced led to the exclusive development in the country that was pretty much protected and provided non-competitive and weak economic base for future. This concentration of economic power and the perceived injustice brought about a backlash in the form of rioting that put an end to the Ayub Khan period.

Zulfiqar Ali Bhutto, assumed power in 1971, attempted to de-concentrate capital and ownership. He nationalized all major sectors of industry, banking, and financial services in Pakistan. The result was disaster. But the results of this experiment were disastrous. Private investment flows virtually stopped, industrial growth halted in the absence of competition, over staffing because of political appointments. This inefficient resource use by state-owned enterprises run by a small group of bureaucrats led to the fiscal imbalances, weak monetary policy, and domestic debt burden.

Meraj Mohammad Khan, a rebel PPP leader emphasized on the liquidation of feudalism, Bhutto was opposed to this and wanted primary emphasis placed on controlling or fighting capitalism because imperialism depended upon capitalism and not feudalism.

Bhutto's apparent support to feudal lords can only be explained in the light of the state traditions of favoring rich farmers through consistently increasing allocation of resources for provision of facilities like irrigation and power (Wolpert, 1993).

Misdirected nationalization precipitated successive market failures in various ways. Persistent unemployment, less competitive enterprises, low production and meager foreign investment were the results of Bhutto's nationalization policy.

Bhutto's policy initiatives and style of government have had extremely negative and lasting consequences for the Pakistan economy and have gravely hindered progress towards self-sustained and balanced economic growth in the country.

General Muhammad Ziaul Haq (1977-1988) dragged the pendulum of economy back to market economy. Ziaul Haq introduced key policy changes included privatization and deregulation and market determination of key macro prices such as interest rates and the exchange rates.

Once again quick economic recovery resulted in the general prosperity and relatively stable prices made the Zia period appear to be an era of exceptional political and economic stability in Pakistan's history. He used bureaucracy for economic management, and under the able guidance of Ghulam Ishaq Khan, introduced good short-term economic management by using missed opportunities and dealing structural issues in Pakistan. The flexible exchange rate policy strengthened export incentives and improved the climate for private investment. The initial reduction in budget deficits through additional taxation and efforts after 1980 to reduce subsidies and to bring agricultural prices in line with international prices, all helped economic growth and moderated the inflationary pressures. That high economic growth was partly because of the influence of exogenous economic developments, notably the boom in workers remittances, did not detract from the steady and more or less consistent day to day management of economic policies during the 1980s (Khan, 1999).

The point, however, is that the long period of political stability and sustained growth under Zia offered opportunities for tackling the difficult underlying structural issues which were not exploited.

Zia's death in August 1988 unleashed a great political instability that led to the slow economic growth and foreign exchange crises. Pakistan was one of the few developing countries that had achieved an average growth rate of over 5 per cent over a four decade period ending 1980. But the 1990s proved to be a lost decade for Pakistan. Growth in per capita income dropped to slightly over 1 percent. Poverty resurfaced and about one third of the population came under the poverty line of \$1 per day. Social indicators appeared worse than other countries of the region. The country was turned into one of the heavily indebted countries and was declared as one of the most corrupt country in 1996.

The decade of 1990s once again proved incapacity of our democratic government. Civilian rules in 1990s promoted the politics of hatred and nation once again plunged into provincial and ethnic conflicts. The successive governments of Benazir Bhutto and Nawaz Sharif failed to improve the political stability in the country and deteriorating economic conditions. These governments had parochial and vested interests and they hardly put serious thought to economic uplifting in the country. Throughout 1990s democracy has been failed due to increased intervention of agencies and because of incompetence of the so called political leadership of the country. Family-owned political parties did not meet the criterion to be a political party. Their economic management was interrupted by the family's influence and Pakistan earned a bad reputation in the world (Hussain, 2004).

The political instability of the 1990s ended up with swift quo by General Pervaiz Musharraf in 1999. General Musharraf major steps in four areas to put the economy back on track:

1. Macroeconomic stability and the restoration of a working relationship with international financial institutions (IFIs).
2. Structural reforms to remove distortions in the economy.
3. Improving governance, especially economic, and reviving key national intuitions.
4. Poverty alleviation measures.

The implementation of this strategy has been broadly successful; with some setbacks because of an extremely difficult environment in the first two years of the Musharraf's government. Some factors were beyond the reach of economic managers. For instance, continuing economic sanctions after Pakistan's nuclear tests in May 1998 and the imposition of new sanctions after the suspension of democracy. 9/11 incident brought the international hostilities to Pakistan's borders. Unprecedented drought severely affected the backbone of Pakistan's economy, the agriculture sector. In addition to that global recession further strained Pakistan's economy.

Musharraf's government took these challenges with reforming all sectors including governance. Along with macroeconomic stability and structural reforms government speed up the process of privatization and deregulation, improved financial sector and capital market. On governance front, government introduced devolution of power plan that gave birth of new local government system. The plan aims to start holistic development in all the districts and empowered people at the grass root level. The public participation in the development of their areas gave a new impetus in the masses. Big cities of Pakistan showed visible growth and development and accelerate urban economics. Musharraf also introduced civil service, judicial and

police reforms. However due to strong resistance with in the departments these reforms were not implemented completely.

The political team of Musharraf regime went along these developments. However few decisions taken by the government set the downhill path that eventually ended with commencement of new election in 2008. Removal of chief justice, steel mill case and right but mishandled case of Lal-masjid set an antigovernment movement that weakened the position of ruling party. The defeat of Muslim League Q was not because of economic policies but it was the result of mass movement against President Pervez Musharraf. Pakistan People Party led coalition government took over after 2008 national election whose economic policies are under way. So far, there is no sign of improvement. Rather put in this way that there is visible sign of further deterioration in economy and well as in politics.

## **5. Conclusions and Recommendations**

Pakistan has seen twenty-four governments in the past sixty five years, including: fifteen elected or appointed prime ministers, five interim governments and thirty-three years of military rule under four different leaders. Liberal economic model and socialist economic models have been experienced. By and large the liberal capitalist model survived successfully in Pakistan. Pakistan history is filled with governance failures. Narrowly based elite and personality and family-owned political parties advanced their parochial interests in Pakistan. Parliamentarians by chance, in general aimed to multiply their wealth under state patronage. There is no culture of elections within the political parties. Now recently a new trend has been set when the selection of chairman of Pakistan Peoples Parties was appointed from the same family on the alleged will of the assassinated leader. This event set a new precedence in the democracies of 21<sup>st</sup> century. Pakistan's future is still under shadow of corruption, bad governance and misdirected foreign and economic policies. Political instability and bad management of the national economy appear to be manifestations of a high degree incompetence and inefficiency of the political leadership in the country (Braibanti, 1989).

Pakistan's failure, or success, must be described in both the language of state failure, which various objective criteria can measure, and the failure of the idea of Pakistan, which is a far more subjective and contentious matter. Pakistan is unlikely to fail as a state; the downward trend in many indicators of state failure can be temporarily halted. In the long run, however, the lack of economic opportunity, the booming birth rate (one of the world's highest), and the weak educational system could leave Pakistan with a large, young, and poorly educated population that has few prospects for economic advancement and that sees the promise of Pakistan as a cruel joke.

There are some positive signs for Pakistan to become a viable state. It's very size (it will soon become the world's fifth most populous state); its ties with many Arab and other Islamic states, especially Iran; its nuclear capabilities; and its geopolitical significance can make Pakistan an important player not only in the region but also in international politics provided our economy must improve steadily. Successive Pakistani governments have used this argument when approaching others for support and resources. Weak credibility of the leadership and weak institutions in the country could not convince international community to support Pakistan. China a trusted neighbor showed its concern over the state of affairs in Pakistan.

Another dangerous trend in Pakistan was the growing extremism and terrorism. Since the Russian invasion in Afghanistan, jihadi group mushroomed in Pakistan and their activities racked and ruined Pakistan. These groups and their extreme beliefs were by and large rejected by the moderate people of Pakistan. However, these groups have strong following in a miniscule percentage of Pakistan's total population. After 9/11 Pakistan became so vulnerable against international pressure to play the part of front line state in war against terror. These Jihadi groups have now turned their guns towards Pakistan and army is struggling to control the situation with aggravating the situation further.

Analyzing political scenario of Pakistan, my humble conclusion is that there is no true left and no true right in Pakistan. Pakistani society and politics in an amalgamation of elites, pressure groups, army, families and huge mass of deprived people, which has hardly any parallel in the world. In my view Pakistan has never been experienced a true democratically elected government in its history. The full restoration of democratic government and the efficient rebuilding of the Pakistani state is still a dream that has to be happened in reality.



The present government came in power through NRO and some unrevealed international commitment. It is observed by the analysts at national and international levels that the economic managers of the country could hardly prevail over the industrialist and feudal elites in the parliament. The top leadership is not ready to annoy beneficiaries of this corrupt political system. So in near future agenda for Pakistan is not yet seen clearly. Even the military rule could not even conceive a radical change in the system. Musharraf in his early years, attempted to break the nexus through devolution of power, civil service reforms and police reforms and special promotion of independent media has introduced healthy trends in the political state of affairs. But his last mistake that is NRO and tussle with judiciary made him highly unpopular in his last days.

This is so difficult to suggest remedies and action plan for economic development unless political leadership brings prerequisite cognitive change in the mindset. If they are not sincere with the country they will ruin themselves and their future generation.

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