

# The Political Instability and Its Impact on Economic Development in Pakistan: A Historical Perspective

Dr. Irfan Ahmed Shaikh<sup>a</sup>  
Rehana Kausar Arain<sup>b</sup>  
Musharaf Ali Talpur<sup>c</sup>

## Abstract

Historically, political instability hampered economies and institutions from achieving significant progress in most states, including post-colonial countries like Pakistan. The paper attempts to examine directionally complementary political stability versus economic growth comprehensively and illuminates the destabilizing effects of inconsistent governance, contradictory policy-making, and relentless shifting regimes' regime have on development trends in the long term, it has been conceived here as being towards often changed government or often changes by constituent as well as un-constituent modes. Thus, political instability has serious consequences for the formulation and implementation of effective economic development policies. The case of Pakistan vaguely illustrates the intensities of such phenomena. In the past, their erstwhile relationship with the British government dates back to the moment the country was formed as a governmental system, which did not flow smoothly due to interruptions caused by sudden governmental breaks, military coups, policy failures, social unrest, and economic disruptions. This study, therefore, not only traces the political history of Pakistan but also juxtaposes it with the country's economic development to explore the association between stable governance and consistent economic performance. Additionally, it conducts a comparative analysis with developing countries in Africa to demonstrate the global relevance of this issue and assess the far-reaching implications of political instability across developing countries. It will be able to delineate the issues and, even more importantly, offer practical solutions for creating political stability as a condition precedent to sustainable economic development. The findings underscore the need to strengthen institutions, establish coherence in policies, promote justice, and ensure accountability, while also fostering an inclusive political culture as prerequisites for sustainable development. It is only through these beacons in countries like Pakistan that they can hope to free themselves from the bondage of instability and underdevelopment, which has become synonymous and characteristic of their post-independence histories.

**Keywords:** Political Instability, Economic Growth, Governance, Policy Inconsistencies, Post-Colonial States, Development Challenges

---

## Article history:

Received on: April 17, 2025

Revised on: June 13, 2025

Accepted on: June 17, 2025

Published on: June 30, 2025

---

---

<sup>a</sup> Associate Professor, Department of History, University of Sindh, Jamshoro – Pakistan | email: [irfan.shaikh@usindh.edu.pk](mailto:irfan.shaikh@usindh.edu.pk)

<sup>b</sup> Lecturer, Department of History, University of Sindh, Jamshoro – Pakistan | email: [rehana.kausar@usindh.edu.pk](mailto:rehana.kausar@usindh.edu.pk)

<sup>c</sup> Assistant Professor, Abida Taherani Sindh Development Studies Centre (ATSDSC), University of Sindh, Jamshoro – Pakistan | email: [musharaf.talpur@usindh.edu.pk](mailto:musharaf.talpur@usindh.edu.pk)

## How to Cite

Shaikh, I. A., Arain, R. K., & Talpur, M. A. (2025). The Political Instability and Its Impact on Economic Development in Pakistan: A Historical Perspective. *Journal of History and Social Sciences*, 16(2), 127-139. <https://doi.org/10.5281/zenodo.16618015>

## INTRODUCTION

Political stability has been historically seen as an essential precondition for national development. The political systems remain steady and continue to exist in specific contexts whose very fabric is laid down by the state's socio-economic structure. Alesina et al. (1996) defines and explains political instability means "the propensity of an adjustment in the official, either by established or illegal means"; such a framework brings to focus the characteristically fluid and unpredictable nature of leaderships in politically unstable countries themselves, where a rapid turnover of heads of state and senior government officials often engenders systemic discontinuity in policy and economic disturbances. In Pakistan, political instability is a phenomenon that has both been inherited and self-perpetuating. From the day of its succession to independence in 1947, Pakistan's political history has seen a fast-paced alternation between civilian and military regimes, each phase witnessing varying degrees of socio-political unrest and economic uncertainty (Khan & Ahmed, 2020; Mushtaq, et. al., 2017). The very first decade of the country, therefore, recorded one of the highest turnover rates for seven Prime Ministers-an aberration which set a precedent for disruptions in governance in Pakistan. Such a weakened political foundation would ultimately pave the way for Pakistan's first military intervention in 1958, setting in motion a cycle of oscillations between military dictatorship and faltering democracy, which corrupts the very aspirations of all development goals.

Economists such as Aisen and Veiga (2013) argue that political instability undermines the decisions of those in power; hence, the environment is conducive to more reactionary, short-term measures than to long-term strategic considerations. This environment becomes more damaging for developing countries like Pakistan, where state institutions are weak and political affiliations often dominate merit-based governance practices. A lack of long-term planning results in a fluctuating economy that is vulnerable to corruption and permits the gradual underdevelopment of important, socially oriented sectors, such as health, education, and infrastructure. Clements, Gupta, and Nozaki (2013) investigated the significant challenges that developing countries face in implementing effective economic development policies, particularly during periods of political instability and economic crises. The authors demonstrate that political instability often leads to short-term, populist economic growth measures aimed at addressing immediate political demands, which in turn weaken long-term economic sustainability. Economic development crises exacerbate these issues, forcing governments to increase spending or implement poorly designed tax policies to address short-term needs. This often results in higher budget deficits and public debt, weakening a country's ability to invest in long-term economic development. The authors emphasize the importance of creating resilient economic development agendas to survive political and economic instability. Other studies, including those by Akhtar & Zaman (2019), Amjad & Din (2018), Hussain & Ahmed (2020a), and Hussain & Ahmed (2020 b), demonstrate similar conclusions.

But political instability does not stand alone in Pakistan. Other post-colonial states tell a very similar narration. Some African countries also share similar stories. Despite being abundantly endowed with natural resources, several African states have struggled to maximize their economic prospects because of weak governance structures, rampant corruption, and political turmoil. In effect, the nexus between political instability and economic stagnation belongs neither to the realm of abstraction nor coincidence; rather, it is rooted in the policy failures and governance inefficiencies sustained by inter vertically unstable political settings. This paper presents the

economic history of Pakistan after independence, including its milestones and setbacks, within the prevailing political context at various points in time. The study will also examine the far-reaching implications of political instability for developing countries, conducting a comparative analysis with those in Africa to demonstrate the global relevance of the issue at hand. It will be able to delineate the issues and, even more importantly, offer practical solutions for creating political stability as a prerequisite for sustainable economic development (Julio & Yook, 2012). In defining political precarity as the core concept of this investigation, we will employ the definitions of Alesina et al. (1996), who defined political instability as "the propensity for a change in the executive, whether through legal or illegal means." The larger the political instability, the more likely it is that the government will change in each period.

Economists define political instability as the sum of changes and revolutions in political conditions that harm the efficient functioning of society economically (Aisen and Veiga, 2013; Khan, 2021). The absence of political stability may create a poor decision-making environment for policymakers and officials, leading to short-term responses and solutions rather than desirable long-term planning. As Aisen and Veiga (2013) clarify, political uncertainty reduces the capacity of reliable prediction, leading to inadequate short-term economic policymaking. According to the Global Economy Political Stability Index (2023), as adjudged by the Bureau, there were tremendous regional variations in this phenomenon. It estimates the number of times that heads changed in one year, and also more than half of the cabinet members are replaced with new staff. Democratic and military regimes have ruled Pakistan. The initial years were marked by political turmoil and instability, as well as the failure of civilian democratic governments. Between 1947 and 1958, seven Prime Ministers from Pakistan resigned or were removed from their seats. The situation of political instability paved the way for the country's first military rule. Rule of law and justice: the only way to maintain stability in this country. In a democracy, education is directly related to democratic values.

Education enables people to inform themselves through various media, including books, magazines, newspapers, and others. The continuous failure of wrong government policies leads the people of the country to miserable conditions. Several factors contribute to Pakistan's political instability. Once one policy fails, the government does not take notice and announces another policy without considering the consequences of the last one. Party leaders have their aims and interests. It's not easy to point out all the causes for an unstable Pakistan, but the biggest problem of an unstable Pakistan is poverty, injustice and inequality, which grows the roots of crime and social disorder. They are heavy taxes and unemployment, crushing the people and forcing them to live below the poverty line. The load shedding, high prices, attack by drones and target killing, especially in the city of Karachi, which we are having today, are just for the common man. The law and order situation is out of control, and all institutions have failed to deliver justice to the common man. A system of fair accountability can bring improvements in this area.

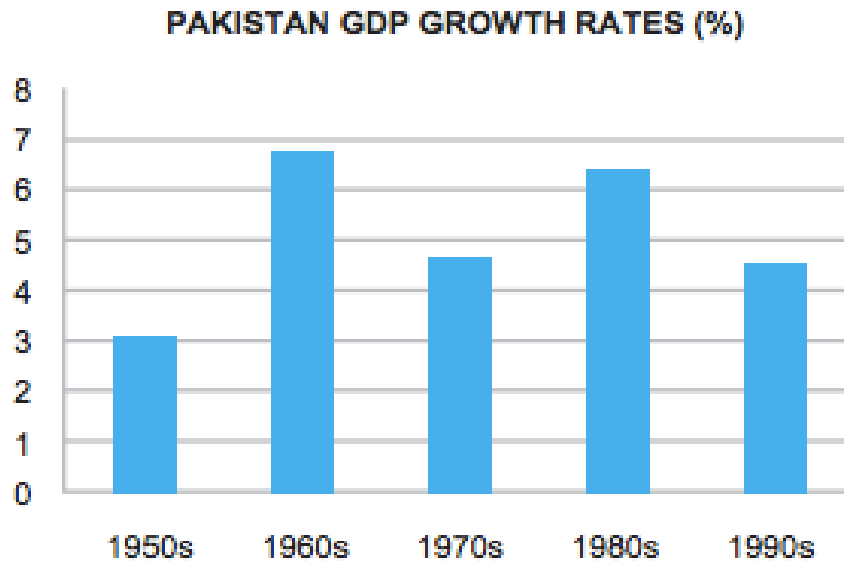
This means letting the oppressed people of Pakistan into the transparency and accountability decision-making process from top to bottom. We need to spur political systems and institutions into action, progress towards sustainable and inclusive growth, root out corruption, dispense timely justice, promote employment, initiate population control projects, build consensus-based solutions to politics, and reconcile ethnic, sectarian, and religious fault lines.

## Economic Conditions of Pakistan after Independence

In this regard, we will first examine the past successes and failures of Pakistan's economy and then turn to the present status of the various impacts of these successes and failures on Pakistan's economic condition and development (Ishrat, 2003, pp. 16-36). Pakistan remains a growth-oriented country, which has averaged about 5 per cent growth during the last 40 years, ending with the period of 1988-89. Thus, this is how poverty was reduced in the country from 40 per cent above to below 18 per cent by the termination of the 1980s (ITROOS pvt. ltd (2018), pp. 1-2). A few salient features of Pakistan's economy are mentioned below:

- Pakistan once stood as a leading world exporter of textiles, as agricultural output went up from 1 million bales in 1947 to over 10 million bales
- The population of \$30 million in 1947 was insufficient to grow food for themselves, and they had to import all food consumables required
- In 1947, Pakistan was not doing much in terms of manufacturing. However, during the following about 5 decades, steel, cement, and various other manufactured products have been available not only to domestic markets but also abroad
- Per capita electric power generation increased at a phenomenal rate in 2003 compared with that in 1947
- Pakistan's roads and highways stretch more than 250,000 km, compared with barely 48,000 km in 1947
- Production and consumption of natural gas have increased over time for industrial, commercial, and domestic purposes

Now, private transport standards for people have become pretty high. Pakistan has progressed well after fifty years of independence, but it has gone through numerous wars, changing demographics and the transfer of civilian and military regimes. Pakistan garnered accolades during the 1960s for its consistent and rapid economic growth. The graph below presents a pictorial representation of Pakistan's economic growth over the last five decades. Since its independence in 1947, Pakistan's economy has largely evolved as a semi-industrialized one, primarily based on materials, agriculture, and food production; however, there have been recent thrusts toward industrial development. Although GDP has been steadily increasing since 2012, the country has made significant improvements in its energy and security profile. However, decades of corruption and internal political turmoil have naturally led to very low levels of foreign investment and underdevelopment. Historically, the land that comprises modern Pakistan was part of the ancient Indus Valley Civilization from approximately 2800 BC to 1800 BC, and evidence suggests that its people were accomplished traders. Although the subcontinent enjoyed economic prosperity during the Mughal period, it gradually declined during the British post-colonial period. Since independence, economic growth has resulted in an approximately 150 per cent increase in average income from 1950 to 1996. However, much like other developing countries, Pakistan has not succeeded in closing the gap between itself and wealthier industrial nations, which have also been growing faster on a per capita basis.



The per capita GNP growth rate during 1985–95 was just 1.2 per cent per year, which is significantly lower compared to India (3.2 per cent), Bangladesh (2.1 per cent), and Sri Lanka (2.6 per cent).[2] The average rate of inflation in Pakistan stands at 7.99 per cent over the years 1957 to 2015, with a peak of 37.81 per cent in December 1973 and a record low of –10.32 per cent in February 1959. Pakistan experienced its only GDP contraction between 1951 and 1952. On the whole, Pakistan has sustained a robust and functioning economy, despite several wars, changing demographics, and shifts in power between civilian and military regimes, with an impressive annual growth rate of about 6 per cent for its first four decades. Pakistan during the 1960s stood as a model of global economic development, garnering considerable praise for its rapid progress. Many countries sought to emulate Pakistan's economic planning system, among them South Korea, which called its version of Karachi's second "Five-Year Plan" the Model Karachi Plan."

The historical context of the Pakistani economy reveals that the manufacturing industry has played a pivotal role in shaping the economic landscape. From being a low-income country, Pakistan slipped into the lower-middle income category and achieved its poverty-targeting objectives. For durable growth, Pakistan should essentially raise its national savings and investment rates, make budgetary surpluses for reducing its domestic and external debt burden, and enjoy political stability to create a conducive investment atmosphere for domestic and foreign investors, high investments in human capital, and more openness to global trade and foreign private investment.

### **Relationship between Political Instability and Economic Development**

Before proceeding to the relationship between these two, let us understand what these terms politically and economically signify. The term "economics" can be taken to mean the study of the economy; politics is about bringing one under power to manipulate it. Practically, there is a very deep relationship between the economy and politics, and the issue of the economy is one of the most important battlegrounds of politics. It is believed that a country's economic growth largely depends on its political stability. Many of these countries are politically unstable, causing a significant setback to their economic growth. Now that we have spent time discussing the economy and politics of Pakistan, let us turn our attention to another country.

This is Africa I chose. I am discussing Africa's political instability and its impact on economic growth and development. The political instability in Africa is solely due to its leadership. Africa, the continent that embodies nature, has failed to develop itself due to its weak leadership and political instability. However, being the only continent with natural resources does not guarantee success in the field of development simply because the country is politically unstable. Legislative issues center on what and how the greatest use or misuse of coercive power might be exercised on the general public. Economics relates to how the particular specialization of people within a society entails him or her to exchange then what he or she does with the rest of the other citizens through a mechanism that illustrates the use of coercive capacity to actualize this, whether working in the soil for mining or in product manufacturing, and so on. The latter encompasses the progression of wealth, while the former encompasses the progression of influence. Both are elements of the more external universe of solid things and activities, as opposed to the internal one of their more abstract thoughts and words. Now, economics influences politics. Eras of vibrant economic transformation are usually accompanied by crises of totemic political changes, as political systems are almost entirely reconstituted and settled for a few more generations. Furthermore, a society's maximum level of economic growth can impact issues such as urbanization, the salience of various issues, the overall strength of specific vested parties, and so on.

Political issues, on the other hand, have a significant impact on economics (or economic development). Regarding any issue, it reduces the quantity of it and may even lead a few corrupt officials to usurp political power for their profit at the expense of others, contrary to the good concurrent action of Hameed (2016). Political systems may, perhaps, be defined as being above or below the top oligarch doles who arrogate all authority to govern over the rest of the world, or as below the top, erstwhile free citizens to delegate authority to hold public officials accountable in their defense of equally inherent rights against the meddling of others. The latter types often protect free markets, enabling economies to enjoy heightened effectiveness, efficacy, welfare, abundance, and amenity, while the former usually engage in centralized control and power over economies, which more often than not regresses those economies backwards. In the last scenario, economics becomes almost synonymous with politics, whereas in the previous case, the two remain entirely independent, with the political system intervening primarily to secure rights and otherwise remaining inactive.

The recent sixty years' financial and social results in Pakistan are a blend of Catch-22. Economic growth rates have averaged 5 per cent of gross domestic product per annum since 1947, a feat achieved by only a few countries. However, on political terms, this negotiation of theocracy with fundamentalism, sectarian cleavages and ethnic differences has made the country volatile. To such an extent that nations from East Asia, which were initially lagging behind Pakistan in the 1960s, have since made significant progress in most economic and social indicators. Consequently, Pakistan was unable to grasp its potential. The presence of political stability is generally recognized as a condition for financial development; however, the case of Pakistan raises a challenge to this conventional wisdom. The article attempts to pose answers to these conundrums and the paradoxes in the field of this study by asking the following questions:

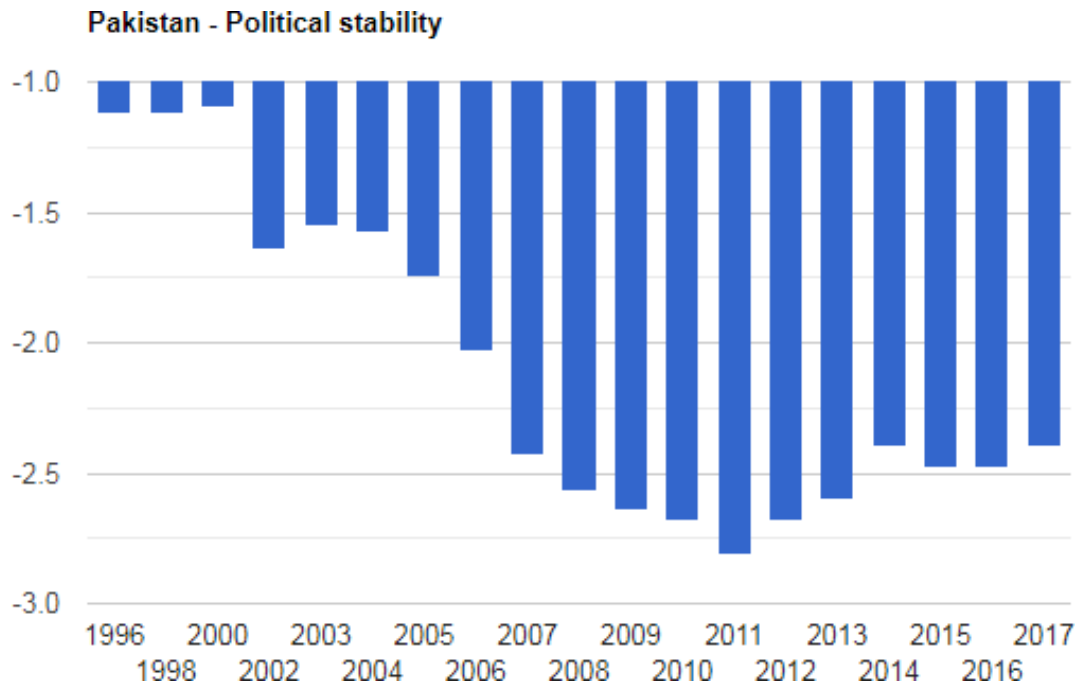
How have such high rates of economic growth been achieved in a country that has been witnessing political turbulence and instability for such extended periods? Did periods characterized by stable authoritarian regimes create conditions for long-run economic performance in Pakistan? Did

external forces, particularly from the US, play a positive role? Despite sharing a common historical, social and cultural background, Pakistan and India have pursued extremely divergent paths since independence in 1947. Both countries have performed remarkably well in broadening their economies and reducing overall poverty levels. India, however, has emerged as a steady and dynamic democracy, whereas Pakistan has spent half its post-independence years under military dictatorships and is now trying to quell an Islamic insurgency in the northwestern part of the country. The nexus between democratic development appears well-rooted in the case of India, whereas it is wavering in Pakistan. Much recent writing has asserted China and India as the most representative examples of authoritarian and democratic regimes, but fewer efforts have been made to resolve this riddle in the case of India and Pakistan, which are increasingly similar to each other and share a common heritage.

### **Effects of Politics on the Economy of Pakistan**

Another factor contributing to political instability is public debt. Public debt includes that portion of a country's debt that the government has incurred through both internal and external borrowing. Hence, it has its political implications, with economic consequences. Repayments of such heavy burdens become difficult for the developing countries, as capital and investment options are limited in countries like Pakistan. For about five decades, Pakistan has been facing political instability, the termination of elected governments, the imposition of dictatorship, and a confrontation between politicians, bureaucracy, the military, and the judiciary. The pattern is still prevalent. Political instability is a very serious problem in the modern world. Both developing countries and already developed countries are affected. Political instability creates uncertain environmental conditions in a country which in turn reduces the level of investment, increases the inflation rate and the rate of public debt and, hence, acts as a brake on the development process and economic growth of the country (ITROOSpvt.ltd (2018), Pp. 1-2).

Inflation is often cited as one of the primary contributors to political instability. As inflation rises, the uncertainty surrounding future business investments in the country increases. The future planning of these investments becomes conspicuously conservative, giving rise to political turmoil. The effects of inflation on the political landscape occur in various ways: it lowers a country's efficiency by hampering exports. Exports indeed become increasingly costly and affect the tax system. Public debt is another source of political instability. Public debt represents that part of the overall debt which an individual government borrows from internal and external sources. This has its political implications, but ultimately results in economic consequences. Repaying such heavy burdens becomes difficult for developing countries, as capital and investment options for countries like Pakistan are limited.



Reference: [https://www.theglobaleconomy.com/Pakistan/wb\\_political\\_stability](https://www.theglobaleconomy.com/Pakistan/wb_political_stability)

### Factors affecting the development of Pakistan's Growth and Crisis

Due to financial shortages, they adversely affected the day-to-day operation of the government and the rehabilitation of refugees from India. For the most part, Pakistan remained an agrarian country with a feeble industrial sector. From the beginning, conflicts arising in Pakistan often arose with its neighbor, India. Further down, at the organizational level, the league weakly assisted in providing for the interests of Muslims in West Pakistan. State power was being exercised even by the military and civil services since the Muslim League did not exist at the grassroots level. Civil servants, large landowners, merchants, and tribal chiefs formed the bulk of the party's membership, but it faced extreme adversity after its founder, M.A. Jinnah, died in 1948 and Prime Minister Liaquat Ali Khan was assassinated in 1951.

The gross domestic product of the nation, by definition, is the dependent variable and is influenced by eight independent factors, namely: Government expenditure on agriculture, Government expenditure on industries, Net domestic savings and external debt, Exports, Foreign direct investment, and Total fixed capital formation in million US\$ as independent variables. Since other studies have identified different parameters, the present study employed stepwise regression to further identify, for the first time, the key parameters that most significantly influence the country's economic growth. In doing so, this paper reviews the literature extensively to reach a definitive conclusion on the factors affecting economic growth in Pakistan. Moreover, all data, methods, econometric specifications, models, and various regressions have been conducted to compute each parameter estimate, identifying the major determinants that influence economic growth in Pakistan. The predictors, including government expenditure on agriculture, Government expenditure on industries, Net domestic savings, external debt, Exports, FDI, and Gross fixed capital formation, suggest an ascending trend towards economic growth. Finally, the last chapter

presents conclusions, findings, and policy recommendations. Leaving aside all the political and economic fluctuations in between, let’s examine the current circumstances regarding the crises affecting Pakistan's development.

The US needed an ally, and Pakistan fitted the bill. Pakistan has been reliant on foreign lending funds since the IMF approved \$1.5 billion in new aid, following the previous debt revision for the country. Foreign aid proved to be a lifesaver for Pakistan in the sudden shock of a decreased economy; now, the country's accounts, which were previously deemed deficient, were in surplus (Ishrat, 2003, pp. 16-36). However, this sudden improvement did not last long, and soon the economy began to decline again, along with the prices of consumer goods and the ever-increasing current account deficit. This may have occurred due to poor domestic food grain production conditions in Pakistan, as global food and petroleum prices were also steadily rising. Other countries were reported to be experiencing similar difficulties but appeared better prepared, whereas the Pakistani government did not seem to have a sensible strategy to alleviate the crisis.

That trade deficit rose from \$10 billion in 2007 to \$15 billion in 2008. Forex reserves in 2008 were on a downward trend, hovering around \$8.5 billion level from \$13.5 billion in 2007. Prices have been rising since 2005 at a rate of approximately 12% per year, reaching inflationary proportions of 20.2% in 2008. Prices initiated an upward trend due to a combination of rising oil prices and high food prices resulting from poor harvests, as well as higher import prices in 2007. With ever-deteriorating conditions, conflicts arose with the judicial system and opposition parties. The upper crust decided to offload their liquid wealth into shares and property for marginal earnings. The triumphant narrative from there was that share prices and property in urban areas soared under the multilateral and bilateral aid. The high growth became a terminal aberration for most people, who saw their livelihoods crash due to rising unemployment, high inflation, and rampant corruption, further solidifying their disenchantment with the military regime (Hameed, 2016). Following nine years of Musharraf's rule, the unemployment rate increased by two percentage points, while skilled and unskilled real wages consolidated, retrenching to 4% and 9%, respectively. Increasing poverty is a phenomenon, particularly after 2004, accompanied by rising inflation levels. A statistical summary of Pakistan for the period 2004-09 (PES-2004-2009) is represented in Table 1 as follows:

Table 1: Pakistan Statistical Summary

	2004	2005	2006	2007	2008	2009
Inflation (% change)	7.4	9.1	7.9	7.6	20.2	13.9
Birth rate (per '000)	31.2	30.9	30.6	30.4	30.1	29.8
Total exports (US\$ billions)	13.34	16.03	16.93	17.84	20.48	17.53
Total imports (US\$ billions)	17.9	25.33	29.82	32.59	42.14	31.7
Infant mortality (deaths per '000 live birth)	71.1	69.5	68.2	66.9	64.6	63.6
Adult literacy	49.4	49.9	54.2	54.9	57.7	59.8

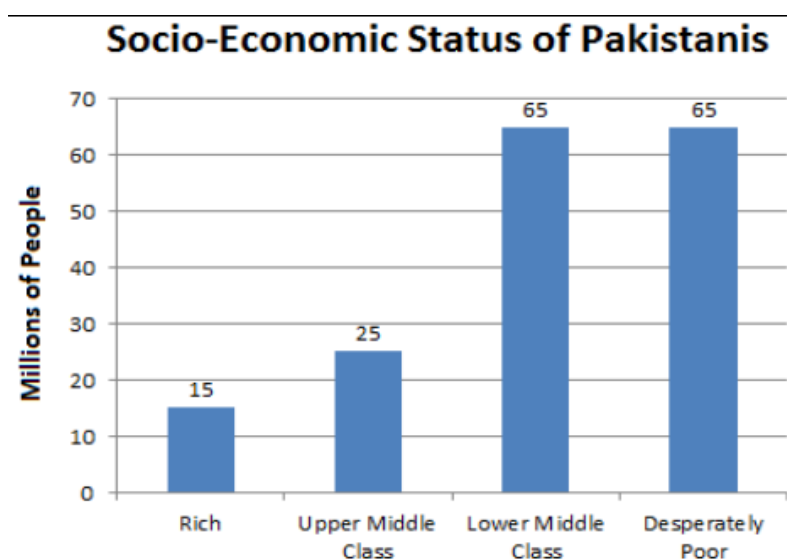
*Source: Pakistan's Economic Survey (various years) Government of Pakistan, Ministry of Finance, Islamabad: Printing Corporation of Pakistan.*

[https://www.researchgate.net/publication/265364316\\_Political\\_Economy\\_of\\_Development\\_in](https://www.researchgate.net/publication/265364316_Political_Economy_of_Development_in)

Since independence in 1947, consecutive governments in Pakistan have been claimed to wish to wash away, especially poverty, through rapid GDP (gross domestic product) growth rates. To such

an extent that Pakistan had even adopted an import-led policy. At independence, Pakistan was perhaps one of the least developed countries.

The respective governments in Pakistan have claimed a desire to eradicate or at least reduce poverty through rapid GDP growth (gross domestic product). It was challenging for Pakistan to suddenly rise economically, but the government didn't lose hope. Pakistan initially began to exploit its natural resources, even under the rule of Iskandar Mirza, who enforced martial law. At this point, the US required strong-arm military leaders (Niaz, 2011). They were ready to provide advisory services, access to the market for the purchase of machinery, and export of goods to any other country, among other benefits. Pakistan took full advantage of it and worked on it. Pakistan has consistently worked to develop its economy; however, political instability has repeatedly hindered its progress. Although Pakistan has now experienced rapid growth, it remains the 27th largest economy in the world, and poverty persists. It had fallen in the years 2007-2008, but it has increased significantly in the past few years due to the rise in inflation.



Reference: [https://en.wikipedia.org/wiki/Poverty\\_in\\_Pakistan#/media/File:Socio-Economic\\_Status\\_of\\_Pakistanis.png](https://en.wikipedia.org/wiki/Poverty_in_Pakistan#/media/File:Socio-Economic_Status_of_Pakistanis.png)

The above socio-economic graph illustrates the number of people in poverty and the lower middle class, based on our population. The importance of education in a country's socio-economic development cannot be overstated, especially in countries like Pakistan, where human capital is underutilized due to the failure of existing systems. Education is the backbone as well as the driving force for sustainable development, social cohesion, and technological innovation. In Pakistan, however, the education sector has long been neglected, underfunded, and subject to policy indecision, resulting in endemic inequality and a poorly trained labor force. Meanwhile, despite the constitutional provision of free and compulsory education under Article 25-A, millions of Pakistan's children are out of school, especially in rural and poor areas where poverty, cultural restrictions, and infrastructure shortages keep the poor out of schools. Such deprivation in education not only prevents the individual from improving their lot, but it also contributes to national underdevelopment directly by undermining the productive potential of the labor force. A population short of literacy is less able to adapt to technological change, less competitive in

international markets, and more susceptible to unemployment, which, in turn, generates social disorder. Moreover, the quality of education in Pakistan varies significantly across provinces and schools, resulting in a highly uneven society where opportunities are also unevenly distributed. While cities can afford private schools and English-medium education, peripheral and rural towns are plagued by crumbling schools, untrained teachers, and outdated curricula that fail to meet the needs of the modern world. Such an imbalance solidifies class divisions and social injustice, perpetuating the political fragmentation and instability that have characterized the country for so long. Another causative malfunction lies in the absence of a culture of research and innovation in Pakistan's universities. While enrollment in higher education has increased over time, the quality of research output continues to lag alarmingly behind regional and international standards. This lack of indigenous research capability has led to an over-reliance on imported technology and foreign expertise, hindering Pakistan's ability to develop its responses to its distinctive socio-economic challenges.

Nations that have successfully made the transition to knowledge-based economies, such as Singapore and South Korea, have done so by placing a strong emphasis on research, technology development, and the commercialization of academic knowledge, all of which areas remain Pakistan's weak points. Furthermore, the misalignment between academic education and labor market needs results in a chronic skills mismatch, which in turn creates a persistent mismatch between youth unemployment and underemployment. Graduates are frequently left ill-suited to meet the demands of contemporary industry, where technical competence, critical reasoning, and digital literacy skills are usually the exception rather than the rule in the rote-learning-based Pakistani classroom. To address these challenges, education reform must become a national priority, backed by strong political will and sustained long-term investment. Such reforms must prioritize equitable access, teacher training, curriculum reform, and the integration of technology into pedagogy and learning practices. Concurrently, research and innovation must be incentivized within universities, while collaboration with the industry must be reinforced to develop a more relevant and vibrant education system. By investing in human capital through a broad-based and inclusive education strategy, Pakistan alone can hope to bridge its developmental constraints and secure its position in the global knowledge economy.

## CONCLUSION

The intricate and reciprocal relationship between political stability and economic development is not to be overstated, especially in the context of developing nations like Pakistan. As this study has illustrated, political instability is more than just a sequence of regime changes; it is an all-encompassing malaise that infiltrates national governance structures, economic planning processes, and social cohesion. The very act of replacing leaders—whether through constitutional or unconstitutional means—sets off a chain of consequences that touch every aspect of a country's growth and governance. In Pakistan, this cycle of political instability has not only weakened the rule of law but also created a governance vacuum where long-term planning is consistently sacrificed at the altar of short-term political expediency. As a result, the nation's economic progress, while periodically impressive in quantitative terms, has remained highly vulnerable to political shifts. From the early post-independence years, when Pakistan could not even produce enough food to sustain its population, to its present status as a lower-middle-income country, its

economic journey has been defined by inconsistent policy frameworks, mismanagement, and a reactive rather than proactive governance style.

Comparative insights from African countries further reinforce the thesis that political instability is a significant developmental hurdle. Despite possessing abundant natural resources and a young labour force, African nations continue to struggle with underdevelopment, primarily due to weak political institutions, poor leadership, and the absence of effective checks and balances. This pattern, mirrored in Pakistan's experience, confirms that economic policies cannot achieve their intended outcomes in a climate of political unpredictability. The recurring themes of poverty, inequality, unemployment, and social injustice, as discussed in this paper, are both the cause and effect of political instability. Heavy taxation, economic mismanagement, lawlessness, and governmental negligence converge to create a socio-political environment that is not only economically regressive but also socially volatile. The absence of transparent and accountable governance further exacerbates this vicious cycle, alienating the populace from state institutions and diminishing faith in democratic processes.

The solution to Pakistan's—and indeed many developing nations'—interrelated political and economic challenges lies in strengthening state institutions, implementing transparent governance frameworks, and cultivating a political culture that values accountability, inclusivity, and long-term national interests over short-term personal gains. Policies aimed at reducing poverty, ensuring equitable access to justice, fostering economic opportunity, and facilitating open political dialogue must be prioritized to stabilize the political landscape. Furthermore, the development of human capital through education and skills training, combined with the encouragement of foreign and domestic investment, can form the backbone of an economic revival. Political leaders must move beyond personal and party interests to focus on the systemic issues that perpetuate instability and hinder growth. Only through such comprehensive and sustained efforts can Pakistan and similar nations hope to break free from the cycle of instability and chart a path toward sustainable and equitable development.

### **Competing Interests**

The authors declared no known competing interests.

### **REFERENCES**

- Aisen, A., & Veiga, F. J. (2013). How does political instability affect economic growth? *European Journal of Political Economy* 29, pp. 151 – 167.
- Akhtar, A., & Zaman, S. (2019). The Impact of Political Cycles on Domestic Investment Behaviour in Pakistan. *Journal of Financial Studies*, 52(1), pp. 95-113.
- Amjad, R., & Din, M. U. (2018). Fiscal challenges and political instability in Pakistan: A historical perspective. *Pakistan Development Review*, 57(3), 289-309.
- Alesina, A., Ozler, S., Roubini, N., & Swagel, P. (1996). Political instability and economic growth. *Journal of Economic Growth*, 1(2), 189-211. <https://doi.org/10.1007/BF00138862>
- Clements, B., Gupta, S., & Nozaki, M. (2013). What Happens to Public Investment in Developing Countries During Crises?. International Monetary Fund.

- Hameed, A. (2016). Political economy of development in Pakistan. ResearchGate. [https://www.researchgate.net/publication/265364316\\_Political\\_Economy\\_of\\_Development\\_in\\_Pakistan](https://www.researchgate.net/publication/265364316_Political_Economy_of_Development_in_Pakistan)
- Hussain, A., & Ahmed, S. (2020). Political instability and investor sentiment in emerging markets: The case of Pakistan. *Journal of Political Economy*, 36(4), pp. 91-110.
- Hussain, A., & Ahmed, S. (2020)b. Political instability and its effects on economic growth and investor confidence in Pakistan. *Journal of Economic Perspectives*, 35(2), pp. 68-89.
- Ishrat, H. (2003). Economic reforms in Pakistan: Past, present, and future. Oxford University Press.
- ITROOS Pvt. Ltd. (2018). Economic history of Pakistan: Achievements and failures. [Unpublished report].
- Julio, B., & Yook, Y. (2012). Political uncertainty and corporate investment cycles. *Journal of Finance*, 67(1), 45-83.
- Khan, A. (2021). Political instability, public debt, and economic consequences: Evidence from Pakistan. *South Asian Economic Journal*, 61(4), pp. 122-135.
- Khan, S., & Ahmed, H. (2020). Political instability and economic growth in Pakistan: A long-run analysis. *Asian Journal of Political Science*, 28(1), 1-16.
- Mushtaq, A. Q., Muzaffar, M., & Ali, A. (2017). Political Instability and the Budget Deficit in the Economy: A Case of Pakistan, *Pakistan Social Sciences Review*, 1 (I), pp. 01-20
- Niaz, I. (2011). The culture of power and governance of Pakistan, 1947–2008. Oxford University Press.
- PES (2004-2009), Pakistan Economic Survey (PES), Government of Pakistan (GoP), Islamabad, Pakistan, [https://finance.gov.pk/survey\\_2024.html](https://finance.gov.pk/survey_2024.html)
- ResearchGate. (n.d.). Political economy of development in Pakistan. Retrieved from [https://www.researchgate.net/publication/265364316\\_Political\\_Economy\\_of\\_Development\\_in\\_Pakistan](https://www.researchgate.net/publication/265364316_Political_Economy_of_Development_in_Pakistan)
- The Global Economy. (n.d.). Pakistan Political Stability Index (2023). Retrieved from [https://www.theglobaleconomy.com/Pakistan/wb\\_political\\_stability/](https://www.theglobaleconomy.com/Pakistan/wb_political_stability/)
- Wikipedia. (n.d.). Poverty in Pakistan. Retrieved from [https://en.wikipedia.org/wiki/Poverty\\_in\\_Pakistan](https://en.wikipedia.org/wiki/Poverty_in_Pakistan)