



The Political Economy of Pakistan: State, Society, and Development

Dr. Uzma Munshi

Zainab Mohsin

Fizza Ali Janjua

Muhammad Noaman Yousaf

Lecturer, International Relations, Department of International Relations, University of Poonch, Rawalakot

Demonstrator, Lahore College for Women University, Lahore

Lecturer, Pakistan Studies, National University of Modern Languages, Lahore Campus

Lecturer, Department of International Relations, National University of Modern Languages,

Rawalpindi/Corresponding Author at- noaman.yousaf@numl.edu.pk

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Abstract:

Pakistan's development trail has been shaped by a multifarious relationship between the state, society, and their interactions. This research explores this dynamic, examining how state structures, social forces, and their power struggles influence development outcomes. The Pakistani state, often characterized as a "rentier state," has historically prioritized elite interests and military spending over social welfare and broad-based economic growth. Powerful actors within the state, such as the military and bureaucracy, have wielded significant influence over resource allocation, often neglecting rural areas and marginalized social groups. However, the state's role is not monolithic. Recent years have witnessed the rise of social movements and civil society organizations pushing for greater accountability and inclusive development policies. Understanding the social fabric of Pakistan is crucial. Deep-rooted inequalities based on class, ethnicity, and gender significantly impact development outcomes. Land ownership patterns heavily favor large landowners, while limited access to education and healthcare disproportionately affects marginalized communities. However, Pakistani society is not static. The rise of a more vocal middle class and the growing influence of NGOs offer opportunities for social change and bottom-up development initiatives. By analyzing state-society interactions and power dynamics, this research aims to contribute to a nuanced understanding of Pakistan's development challenges and prospects for a more equitable and sustainable future.

Keywords: State, Society, Social Forces, Power Struggle, Pakistan's Development



Introduction

The Islamic Republic of Pakistan is a South Asian state whose cultural, geopolitical, and social-economic profile is rather peculiar and unique. As it has with over 230 million people, it is the fifth largest country in terms of population in the world. Socially, the concept of Pakistan can be referred to as a developing nation characterized by numerous opportunities for development but unfortunately suffering from social vices such as poverty, unemployment, and inequality. The main industries of the country are agriculture, manufacturing, and service industries; however, the technological sector has improved in recent years. Nevertheless, the socio-economic development of Pakistan is compromised by structural problems such as political volatility, underdeveloped infrastructural frameworks, and low human development indices (World Bank, 2022). Such intricacies are vital in enhancing the development processes, hence the need for development of sustainable support for the common citizen.

In Pakistan, understanding the political economy for development is most assuredly one of the most critical phenomena. This paper thus draws insights from a conceptual perspective known as political economy that seeks to understand the combination of political and economic forces and their effects on the development prospects of a country. In the political economy of Pakistan, state, political and economic initiatives have created problems like corruption, elite capture, and minimal openness and transparency (Hussain, 2023). These factors lead to dysfunctional governance and hampers equal economic growth and development. For these issues, through the political economy, researchers and policymakers are able to pinpoint the causes and therefore work towards solutions of developing policies that will create positive impacts on the groups of people in need, socio-economic stability and good governance.

This research seeks to answer the question: What role does the state and the society, and their dynamics, play in influencing on the developmental path? It is evident that the state with its institutions and frameworks in place sets the course of several economic policies and development strategies. People in their different social statuses, who form the civil society and social groups, and the private sector engage the state in the formulation and reception of these policies. This implies therefore that the state and society structures provide an important interface in order to assess and possibly influence developmental paradigms. This research will examine the features of such interactions and their effects in realms like economic liberalization, social justice and



institutional change (Jalal, 2021). Towards achieving these objectives the research seek to establish these interrelationships and contribute to the understanding of how Pakistan can attain inclusive and sustainable development.

Literature Review

There is a significant body of literature on political economy, state-society relations, and development in Pakistan which offers an extensive analysis of the factors that have shaped the country's development path. Several political economy studies have been carried out by Akbar Zaidi and Shahid Javed Burki which shows how the historical antecedent, SPS in Pakistan played an important role in determining economic results (Zaidi, 2015; Burki, 2018). Their papers stress about the positive relationship between political stability and economic development and indicate that Pakistani political instabilities and governance factors have remained major impediments to the country's development. In addition, the works of Jalal and Lieven also highlight state-society relations and the relationship between the state and society that fill a gap on issues such as social capital, civil society, and grassroots mobilization in determining the policy and reforms (Jalal, 2021; Lieven, 2017).

Analyzing the structures of political economy in Pakistan, there are two main theoretical perspective that has been commonly used in the analysis of the contexts and they are: The rentier state theory and the patron-client statism. Analyzing the concept of the rentier state that was first deployed to analyze Middle Eastern economies that relied on oil rents, this paper explores Pakistan's dependence on foreign aid as well as remittances. This framework shows how reliance on unearned income leads to most state institutions being weak, the societies being non-accountable, and how they practice bad governance (Bromley, 2020). Another is the patron-client framework which seeks explain relations of power and authority that are apparent within the social structure of Pakistan. This system mainly involves the interdependency of patrons: politicians, landlords and military elites and the clients which include the voters, small landowners and lower bureaucrats whereby the former provides resources and or benefits in exchange for votes and supports. In fact, these frameworks offer rich information about the social relations of production that underpin Pakistan's development policies and performance.

However, the debate and research gaps highlighted above indicate that there are several significant topics and gaps in the literature on Pakistan's political economy. One of the major



controversies can be classified under the Header: Governance Reforms & Democratization & Its Impact of Development. While some scholars believe that accountability and growth is possible owing to democracy some believe that structural vices such as patron-clientelism and elite-business make the prospect of democracy shallow (Siddiqa, 2019). Another major research problem is associated with the effect of regional disparities and ethnic diversity on development. Although, there are some studies that compare economic status and some social relations between the provinces/ethnic groups and their contribution to the economy, more systemic research is required to determine how these disparities affect the overall development pathways and policies of the concerned country (Ahmed, 2020). Further, someone needs to embark on systematic empirical research on the informal economies and the sector in Pakistan, which is pivotal but receives least consideration in Pakistan's development processes.

The State in Pakistan's Political Economy

This paper examines how the nature of state, and its specific historical development in Pakistan has redefined its role in promoting economic development, with the help of necessary political and social mechanisms. After its birth in August 1947, the political evolution of Pakistan has witnessed both, military dictatorship and civilian rule and hybrid of both of the above said systems, all of these influencing the directions of management of economy and processes of development. The focus throughout the first decades was to build the institutional structures of a viable state and sustain an economic foundation after the separation from India.

In the 1950s and 1960s the focus was made on industrialization and economic planning referring to the Model of developmental states with a great interference of the state in the economical processes (Zaidi, 2015). The state intervention of the 1970s under Zulfikar Ali Bhutto was the tendency at that time to centralize control over some vital sectors, however, these steps were accompanied by such negative phenomena as ineffective and corrupt. The subsequent period of liberalization and privatization in the 1980s and 1990s under military ruler General Zia ul Haq and the subsequent civilian governments sought to roll-back the state and open up markets for private sector development. However, society's unpredictability in policy direction and political uncertainty has sometimes delayed steady economic development.

Some of the influential domains possessing considerable impact on Pakistan's political economy include the military and bureaucracy. Among them, the military has taken a more central



position; it has direct governance during the martial law and even influences in the civilian governments. The military's economic power does not just end at security, as it is heavily invested in almost all spheres of the economy through business conglomerates such as the aforementioned Fauji Foundation and Army Welfare Trust (Siddiqi, 2019). This mil-civ integration has sometimes resulted in allocation of more resources to the segments related to defense and security than to social and economic growth. The bureaucracy which has been inherited from the colonial administrators has also been a strong player as a policy maker and shaper. But a major problem has been the politicization, bureaucracy, and corruption, which sometimes have hindered the sound implementation of development policies (Hussain, 2023). These powerful actors have usually acted in their self-interest this resulting in misdistribution of resources and benefits with different subgroups of society.

The analyses of state policies and distribution of resources in Pakistan have shown that these elements have had differential effects on various social groups which has indeed increased the existing level of injustice. Said rural-urban dichotomy is one such component of this process, given that cities as a rule are provided with greater investment in infrastructure, education, and health care as compared to country districts. It has contributed to the continuous poverty and the under-development of the rural areas, hence exude to urban areas, thus increasing the rate of congestion and inadequate housing in urban areas. The social structure also hosting a strong class and ethnic disparity where the elites and politically connected groups enjoy the state's resources and business opportunities. The government policies consistently target middle and upper classes in urban areas including Karachi, Lahore and Islamabad ignoring Balochistan and Sindh rural province people and neglecting their rights and requirements (Waseem, 2018). This shows that the state has systematically turned a blind eye to the regions and social groups and as a result the social unrest and conflicts surface. Education, healthcare, training, employment, and social welfare disparities are some of the inequalities that need to be redressed through efficiency in the distribution of resources and developmental policies that are pro-poor.

Society and Development in Pakistan

Analyzing the structure of social inequality, it should be stated that Pakistan deals with rather diverse and nuanced system of classification and categorization including but not limited to class, ethnic, and gender divides. Social stratification is strongly marked, with literally millions of



people living in poverty, whereas a small group of rather wealthy people possesses a major part of the nation's assets. Ethnic diversity, the other characteristic that defines the complexity of Pakistani society, is a result of multiple ethnic groups, including Punjabi, Sindhi, Pushtun, Baluchi, and Muhajir people. It has been realized that depending on its ethnic diversity, these ethnic groups are sometimes politically represented and economically empowered to different levels, thereby creating regional disparities and at times, ethnic conflicts (Ahmed, 2020). Power also plays an important role within the social context, as well as gender since traditionally women are deprived of many rights within a society, although there is some progress in the recent years. The above social factors augment a stratified culture since resources and other opportunities are rigidly allocated in relations to the different social classes affecting the general development process.

Social organizations, civil society organizations and private partners are strategic actors in processes of development in Pakistan. Social movements involves civil society organisations, the oppressed sections of society and sometimes civil servants fighting for rights, justice and policies. In this case, NGOs active in the delivery of social services are organizations like the Edhi Foundation and The Citizens Foundation, who complements the state by offering essential services like education, healthcare, and other social services. Businesses are the main source of economic growth and development especially the working places within urban regions that contribute to employment and innovation. Nevertheless, such attempts are commonly marred by system vices which reduce their effectiveness and scope. Thus, social inequalities include, but are not limited to, class, ethnicity and gender, determine development patterns in as much as they define who gains access to utility, service delivery and opportunities. Poor people especially those in the vulnerable and marginalized groups experience several hurdles that deny them the opportunity to productively participate and improve their standards of living. Therefore, efforts shall be made towards reduction of these inequalities with the aim to foster inclusive and sustainable development across the Pakistani state.

State-Society Interactions and Development

The social dynamic involving the state and society is critical to development outcomes in Pakistan because the state interfaces directly with society at large as well as with specific segments of society through policies and development initiatives. Education and health are two more



examples where these interactions can be identified and two most important areas which have been affected by these interactions are Land reforms and social welfare programs. In the past, many land reforms were tried mostly to attempt at providing agricultural lands with an intention of lessening feudal influence and poverty in farming communities. Although some redistribution did happen, elite landlords, did not let the change affect them by lobbying, thus negating the purpose of such policies (Waseem, 2018). To this end, there are social welfare programs characterized by provision of financial support to the most vulnerable individuals like the Benazir Income Support Programme (BISP) which was established to support the needy and deserving segments of the society. While impact of these programs has been positive regarding poverty reduction it has been noted that these programs are associated with certain commonly known problems including poor funding, increased bureaucracy, and corruption.

Therefore, the capacity of the state to put in place and to maintain such measures is important for the realization of equal development and the enhancement of the quality of life of deprived categories of the population. Civil society organization and social movements are important actors in the determination of state policies and development agenda in Pakistan. The women's movement, such as Women's Action Forum (WAF) and workers and peasant' organizations like the Awami Workers Party (AWP) have played an important role of putting pressure on the state for enacting progressive laws and policies that aim at eliminating discrimination and gender bias, asserting women's rights to fair wages for their work (Jalal, 2021). CSO and NGOs play an important role of implementing many state services on the ground while sensitizing the public/voters and occasionally checking the government excesses. Hearths these activist mobilize the public and campaign for change of polices that support rights of the affected groups.

Nonetheless, power, and its concentration remain critical issues that determine the development prospects of Pakistan. This turns out to be the case since the creation of policies is dominated by political elites, military, and mainly business companies leading to unfair policies to the rest of the population. This elite capture erodes democratic institutions and fair distribution and utilization of resources; thus, social inequalities and the slow pace of development ensue (Hussain, 2023). It will therefore be imperative to address these power



relations in as far as development is concerned in a bid to format a more conscious and equal development model.

Case Studies

Building on the existing literature on state-society relations in Pakistan, detailed examples are useful for understanding these relationships and their impact on development. Probably, one of the most significant instances of this practice is the construction of infrastructure in the Gwadar region in the framework of the CPEC. The developmental cooperation of the state with china for Gwadar port city and its adjacent infrastructure would help to enhance the economic activities and trading. Nonetheless, the potential stoppage of the project came with apprehensions among the local Baloch community in terms of exclusion in decision-making and decision-makers, displacement, and insecure compensation terms from the government (Khan & Rehman, 2022). Such concerns underline the difficulties of embracing the concept of states' mutual equitable development when key initiatives are launched or influenced by powerful states as well as external forces. The issue of how the state responds to the challenge of integrating national development objectives with the concerns of the local people continues to be relevant in determining the achievement and sustainability of such projects.

Pakistan agriculture policies also provide a vivid example of 'state-society relations' affecting rural people. Prime Minister Agriculture Emergency Programme was launched to reinvent farming techniques while the government also adopted strategies aimed at increasing the productivity of farmlands (Abbas & Ali, 2021). However, these policies have come with positive impacts to some of the farmers especially because it has subsidized some of the inputs such as seeds and fertilizers but at the same time has compounded on inequality. Due to the various barriers such as bureaucracy and ignorance, many small-holders are left out of these benefits and only large-scale producers' benefit from the supports as they receive the government backing. Such a situation calls for the expansion of inclusive policy solutions that will accommodate the characteristics of various parts of the rural population. Implementation and supervision of such policies should be done properly so that they enhance poverty decrease in the rural areas and encourage sustainable agriculture development.

It is equally important to look at Pakistan's challenges regarding its state-society relations as exemplified by the role of religious institutions in social development. The spiritual



establishments like Islamic schools and places of worship or madrassas and mosques contribute in the provision of education, welfare, as well as support structure notably in states where civil facilities are lacking (Zaman, 2018). Such institutions are generally able to negotiate important niches of social welfare, but the impacts that they impose on development are of doubled-edged. They are good for social organization cohesion and support though they participate in politics and have affiliation with some political forces; this helps in maintaining sectarian differences and brings state policies with some impact other than intended development goals. The state's interaction with religion, hence, must be handled precariously so as to capture all the benefits of religious organisations without having the undesirable effects on social cohesion and development inclusiveness.

Conclusion

In conclusion, the social contacts involve in the context of Pakistan highlight significant role of the state in mediating with different social groupings in order to determine the country's destinies. The historical background characterized by military and civilian administration play a role in influencing the state's view towards economic development and utilization of resources. Some organisations within the state like the military and bureaucracy for instance, exercise considerable influence on these development polices and this influence may sometimes be advantageous to these organisations at the detriment of the minorities. The works being done by social movements, NGOs, and civil society organizations have remained relevant in pushing for changes in policies and grappling with social injustices though these efforts are disenfranchised by elite capture and power dynamics. This paper explores Pakistan's development issues through specific case analyses including Gwadar development under CPEC, agricultural policies, and religious institutions. They bring out the need to appreciate social diversity and therefore ensure that policies incorporate the needs and well-being of all the social segments.

The findings of the present research point out the emergent nature of development strategies of Pakistan in a great manner. Speaking of sustainable and inclusive development, it is critical to note that power relations and structural factors limit equal distribution of resources and policy outcomes' effectiveness. The Major development strategies for future should pay more attention towards the formal participation and involvement of the community in large scale developments such as CPEC and enough consideration of local needs and concerns. Improving



the state capacities and their responsibility, decreasing the strains of the bureaucracy, and fighting corruption are the key elements to increase the efficiency of the governance. Further, voting rate and perceived landscape can improve the percentage of interpersonal trust and extent to which the politicians were trusted, and overall, increasing the idea of incorporating a sovereignty of people's political context or policies such that marginalized groups have a greater say in their political affairs can reduce the socio-economic divide. Solutions to these challenges may involve encouraging organizational and political transparency and citizen's involvement in decision-making processes, strengthening the social protection mechanisms for vulnerable groups, etc., as well as encouraging the policies for education, healthcare, and employment for all citizen groups.

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