

FIRST HALF OF PAKISTAN TEHREEK-I-INSAF'S GOVERNMENT: A CRITICAL APPRAISAL

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Abstract

The research paper tells about the economic policies of Pakistan Tehreek-i-Insaf in the first half of its government: A critical appraisal. The importance of such a study is that it reminds the people about the realities that which steps had been taken by the government of Pakistan Tehreek-i-Insaf to strengthen the economy of the country and what are the impacts of these steps that either these policies are impacting the people in harmful way or in a useful way. There were issues to the government of Pakistan Tehreek-i-Insaf but what were the steps, initiatives and what were the plans of the then government to tackle such an issue which the economy of Pakistan was facing is the statement described in such a paper by using the qualitative and quantitative methodologies of research and by using the primary and secondary sources i.e. research articles, thesis, daily newspapers whether it was needed. The main objective of the study or research is to analyze all the steps, policies and plans of the government of Pakistan Tehreek-i-Insaf which it was taking towards the economy but in a critical way and to find out that how the governmental approaches towards consolidating and strengthening the economic conditions of the country were useful or negatively impacting the people. The negation of the government of Pakistan Tehreek-i-Insaf from its stance of ending the corruption and to curb the economic crisis has also been found in such a paper.

Keywords: Economy, Pakistan, Balance of Payment, Current Account

Reserves, Corruption, PTI, GDP, GNP.

This research paper is about the economic policies of the government of Pakistan Tehreek-i-Insaf 2018 to onwards in a critical way.

This topic is important in a sense that it tells about the economic policies of the new government which came into power for the first time after two major political parties and military rules. It came into power when the country was facing challenges.¹ This government was inherited with the most deteriorated conditions ever as the previous governments of Pakistan Peoples Party (PPP) and Pakistan Muslim League-Nawaz (PML-N) took debts most in number and the government of Pakistan Tehreek-i-Insaf was hardly in a better position to repay it.² The corruption was at its extreme and it was the most disturbing factor in weakening the economy of the country and was the reason for poverty in the country and the government of Pakistan Tehreek-i-Insaf (PTI) like the others continued to blame the previous governments³ but was not in a position to form sound economic policies. To end the artificial economic uplifting was the priority of the government according to the premier and his ministers. As in the previous tenure i.e. PML-N there was no economic growth as the lives of the people were not changed and impacted and that is why it was necessary that a new government should be formed and needed to develop the country's abysmal and appalling economy and to bring a change in the lives of the civilians. The corruption was a factor which was eating the comforts of the people and was impacting the daily lives of the people, it was the source which was escalating poverty in the country. The previous government was spreading hopelessness among the people because they wanted the old system back.⁴ All the infrastructural development was not for the welfare of the common man but it was just to show off to the people and to the world but in real terms there was no any development which the new government wished to end and to facilitate the people in real terms. This paper shows the different policies of the Pakistan Tehreek-i-Insaf government that they adopted to strengthen the economy and to which extent these policies were better than the previous government which they in most of the situations lamented on their deteriorated performances. The paper addresses the differences between the realities and pledges that the government of Pakistan Tehreek-i-Insaf made to the people during their election campaigns and mentioned in their manifestos and how their policies affected the people of Pakistan during their three year term of governing the country as they pledged to build Naya Pakistan.⁵ The policies and plans regarding strengthening the economy of Pakistan by the government of Pakistan Tehreek-i-Insaf impacted each and every sector, department, portfolio and people in a negative or positive sense is the aim of the paper to point out and to confirm this reality to the people. The kind of policies either reliance on to blame the previous government, to blame the seventy years old system, to

rely on foreign debts and remittances which the previous governments had taken and the ways and means the government of Pakistan Tehreek-i-Insaf had adopted to sort out all the issues, to cope up with all the issues and the kind of results the government of Pakistan Tehreek-i-Insaf had taken is the aim of the paper to point out while in a critical way. The paper shows that how the previous government under the premiership of Mohammad Nawaz Sharif invited all the other political parties to come forward and join hands to pull the country out of the quagmire that has befallen it due to the bad governance of the previous government⁶ while on the other hand tells about the steps taken by the government of Pakistan Tehreek-i-Insaf to strengthen the economy and to curb all the issues which the previous government had left. The initiatives taken by the government of Pakistan Tehreek-i-Insaf to relieve the deprived masses of the country and to give them the benefits instead the government of PTI after accomplishing its first year term in office was failed to sort out all the issues and to fulfill the promises that had made to the people⁷ are mentioned in the paper. The steps taken by the government of Pakistan Tehreek-i-Insaf to end corruption from the country and how it was a hurdle in slowing or stopping the smooth running of the economy of any country was the foremost priority of the government of Pakistan Tehreek-i-Insaf. To analyze all these measures, to look at all these measures, to think about all these measures and to what extent these measures, initiatives, pledges and surreal high proclamations which they made before coming into the power⁸ benefited the people or not the paper describes but in a critical way. Pakistan Tehreek-i-Insaf when was in opposition or out of the governmental corridors blamed the previous governments that they were the main causes for the costliness, poverty, inflation, unemployment and corruption but then the government of Pakistan Tehreek-i-Insaf performed in a way that all its blames then applied on the government of Pakistan Tehreek-i-Insaf as it is clear that what is the condition of costliness, what is the condition of poverty, what is the condition of inflation, what is the condition of unemployment and what is the condition of corruption are the main dilemmas Pakistan is facing and because of which the economic revival and economic uplifting is very rare. The paper tells about all the pledges which the government of Pakistan Tehreek-i-Insaf mentioned in their manifesto and its negation from all the pledges, the imported ideas of economic uplifting i.e. for poverty alleviation the chicken breeding program while another one of Sarmaya-e-Pakistan were inspired by the Bill Gate's and Malaysian success in turning around its lost making public entities⁹ are pointed out at some extent in such a research article.

REVIEW OF LITERATURE

As review of literature is process or method of selective location, systematic organization, through examination and its utilization of primary and secondary sources of information which could help and

assist the researcher to digest knowledge available from the past and to synthesize it in correct way and to use it in a well-managed and orderly manner to know about or understand the nature, the existing problem and its solution. The research topic "First Half of Pakistan Tehreek-i-Insaf Government and Economy: A Critical Appraisal" is bit unique and different in a way as it tells and points out the chaos and deterioration which the government of Pakistan Tehreek-i-Insaf has done to the economy of Pakistan from the very outset as it had increased the prices of the basic commodities which caused a huge outrage in the country¹⁰. The economic policies of this government were not up to the mark especially in the first half i.e. 2018-20/21 which resulted in the leading of the country towards the brink of bankruptcy. Lot of work has been done on such a topic as some columns, articles, research papers and opinions has been shared by the columnists, writers, researchers and experts.

Hussain, F in his column "PTI: then and now" (DAWN 2021) tells about the ways and means adopted by the Pakistan Tehreek-i-Insaf to enter into the politics and governmental corridors, tells about the negation from its own pledges and narratives but the main reasons and issues caused by the policies of Pakistan Tehreek-i-Insaf's government especially in its first half of governing has not been mentioned and thus light has been shed on such an aspect in such article. Rabbani, I in his book *Pakistan Affairs* (2019) shed the light on the ways adopted by the Pakistan Tehreek-i-Insaf towards coming into the power, the seats distribution, the budget presented but has not shed the light on the impacts of the economic policies from the very inception of its government so the research article is working on this aspect of the concerned topic. Mahmood, Athar in his report on PIDE "The Economy Under the PTI" (2020) tells about the overall economy of Pakistan that what is the condition of the economy and how the economy is progressing towards the downfall but the main phase of the governance of Pakistan Tehreek-i-Insaf i.e. first phase has not been mentioned specifically which became the reason of the downfall and deterioration of Pakistan's economy which was prospering in the phase i.e. 2013-17/18. A draft from the government of Pakistan Finance Division Islamabad "A Roadmap for Stability, Growth and Productive Employment" (2019) in which the whole setup for the stabilization of the economy, structural reforms to accelerate economic growth and steps for the productive employment or to protect the poor and vulnerable masses but the results, impacts and changes in lives due to such steps has not been mentioned so the proposed research article mentions the obsolescence of these steps and measures as the practical work from the government of Pakistan Tehreek-i-Insaf was none.

Zohaib, M.J. in his column "Why PTI is at an economic crossroads" (Express Tribune 2021) tells about the prices of different things, depreciation of rupee against dollar but what actually led Pakistan towards the economic chaos and what was the approach of the

government of Pakistan Tehreek-i-Insaf towards destabilizing the economy further which was previously progressing in the right direction and lot of projects and investments were seen has been mentioned in the proposed research article. A story about the "PTI vs PML-N: Some success for PTI government on economic front" by the correspondent of the newspaper (THE NEWS 2021) tells about the improvisation of Gross National Product (GNP) during the first half of the government of Pakistan Tehreek-i-Insaf, converting the Current Account Deficit (CAD) to surplus and the attraction of more remittances from abroad but has not mentioned the long term impacts of these developments on the economy of Pakistan, the story does not tell about the contaminated approach and delusional politics which caused the uncertainty and the reduction of this timely beneficial steps and measurements.

The research article is quite a significant and important for the disciplines of economics at the basic stages to understand the main difference between the pledges and promises of the government of Pakistan Tehreek-i-Insaf when it was out of the governmental corridors and then the arrival of Pakistan Tehreek-i-Insaf to the government. The article can assist a common man in realizing the causes of the economic disaster which had caused due to the direction less policies of the government of Pakistan Tehreek-i-Insaf especially in its first half despite witnessing and gaining the economically stable and strengthen Pakistan which was good as for Gross Domestic Product (GDP), foreign investments, infrastructure, energy and electricity richness and the LNG terminals. The research article is an eye-opener for the society and common people as well as a section of the false directed educated diaspora of the country to come out of the apprehensions and illusions about the government of Pakistan Tehreek-i-Insaf which just relied thoroughly during its term on the foreign aid, debts, remittances and charitable approach. The common and understandable citizen of the country can take the assistance from such an article to know that the government of Pakistan Tehreek-i-Insaf had not worked for the investments within the country and investors from the outer countries to gain the support of the internal as well as external investors thus halted the progressing economic process. The research article can also assist the economics' students of the junior level and even higher level to know about some terms of the economics, its impacts on the lives of the people and the factors which led to the economic disturbance thus these less ripened minds might be acquainted of all these terms, impacts, factors and approaches of the economics of a specific government thus can decide better people and experts for themselves and for the country.

ECONOMIC POLICIES OF PAKISTAN TEHREEK-I-INSAF GOVERNMENT RELIANCE ON THE FOREIGN AID AND LOANS

When the Pakistan Tehreek-i-Insaf came into power in 2018 the country

was deep in financial plight as the government of Pakistan Tehreek-i-Insaf (PTI) inherited the current account deficit from the previous government¹¹ and it was very necessary for the government to receive a bailout package to manage the Balance of Payment (BOP)¹² and the government was successful in its endeavors to get aid from the Saudi government which agreed to give \$3 billion to Pakistan as Balance of Payment support for one year and supply of \$3 billion worth of oil on deferred payment for three years. Thus the total package was \$6 billion. After Saudi's assistance the government of Pakistan Tehreek-i-Insaf went towards China which promised to provide financial assistance. The visit of Pakistan's premier to China was to get some aid from this long lasting friend of Pakistan which agreed to assist Pakistan economically to come out of the economic crisis.

The government went towards some other countries for the economic help i.e. Qatar, U.S, U.A.E etc to stabilize the economy of Pakistan. Pakistan Tehreek-i-Insaf in its first year 2018-19 got \$16 billion in foreign loans (\$2.4 billion by the caretaker set up in July 2018).¹³ In 2019 after the coming of Covid-19 a serious economic crisis exacerbated in the country by such a pandemic and it became another reason for the government to seek for economic assistance from the International Monetary Fund (IMF), Saudi Arabia and China. Because of such conditions the economic growth of Pakistan dropped from 5.8 in 2017/18 to 1.9 in 2018/19 and then to negative territory at -0.4 percent in 2019/20.¹⁴ After falling of the growth to the negative territory which was the first time in seven decades the per capita income also fell from US \$1625 to \$1325.¹⁵ Because of seeking help from the International Monetary Fund (IMF) it imposed some provisions on Pakistan to run the affairs of the country according to their will. After these assistances from the foreign countries and the International Monetary Fund the foreign exchange reserves rose and also there was a surge seen in remittances and then it was estimated that the remittances will be around \$31 billion in 2022. And for the foreign exchange reserves these were around \$20 billion but most of them were on call. The analysis of all such steps by the government of Pakistan Tehreek-i-Insaf shows that the government was totally relying on the foreign aid and loans to strengthen and stabilize the economy of the country which they strongly rejected when they were in the opposition and out of the governmental corridors but then it became their compulsion and obligation to get the foreign loans. Besides all such actions Pakistan is still unstable, the life of a common Pakistani is still deteriorated, the image of Pakistan is still very deteriorated, the inflation and costliness is making records and the impacts of such steps has not facilitated the masses.

ACCUSING THE OPPOSITION

Pakistan Tehreek-i-Insaf after coming into power started criticizing the previous governments and their policies for the unstable economy of the country. The ministry of finance had no clue to strengthen the economic

conditions of Pakistan and it was not even aware of in which direction the country should go and this all was because of the high expectations of the masses from a political party which had done huge pledges and promises to sort out all the things within no time.¹⁶ The government's total reliance was on to accuse and blame the previous governments to show themselves as clean and innocents while they were criticizing the previous governments for taking debts from the foreign countries, the then Prime Minister in one of his interviews mentioned about going abroad and to beg the money and said that I can not do that but then when it was his tenure Pakistan every time tried to seek some foreign help as far as economy is concerned and because of which the then premier became famous for his U-turns. The problem with these countless U-turns lies not only in their large magnitude but also the lack of logic or justification both for the initial position and the subsequent change. In June 2018, when Pakistan Muslim League-Nawaz (PML-N) left the office, gross public debt stood at Rs24.95 trillion while by September 2020 gross public debt had increased to Rs36.95 trillion. That's an increase of 12 trillion or 48 percent in just over two years according to the State Bank of Pakistan's figures. To put things into context, during PML-N's entire five year term public debt only increased by Rs10.66 trillion.¹⁷ The external debts ballooned from Rs7.8 trillion in June 2018 to Rs12 trillion in September 2020 which were taken from different countries and the International Monetary Fund (IMF). Other than the public debt the debt-to-GDP has drastically increased from 72 percent in June 2018 to 87 percent in June 2020.¹⁸ The loans taken by the previous government i.e. Pakistan Muslim League-Nawaz was used for the welfare of the people as to use such amount it had borrowed from 2013 to 2018 to implement CPEC, included 11,000 MW of electricity, 2,000 KM of motorways, established LNG terminals, increased development spending and on infrastructure.¹⁹ They achieved the GDP growth of 5.8 percent and much more. The government of Pakistan Tehreek-i-Insaf has taken double the debt that of the previous government but what it has done is the negative GDP growth, high inflation, rising unemployment, increased poverty, sugar and wheat shortages, LNG and electricity crisis, high fiscal deficits and development spending cuts and thus the people started criticizing the government of Pakistan Tehreek-i-Insaf as it performed miserably on the economic front and went against its promises.²⁰ All such measures show that the government of Pakistan Tehreek-i-Insaf was criticizing and blaming the previous governments while the conditions in its own tenure were more abysmal and bizarre and no any sort of investigation to investigate all such failures.

CORRUPTION AS A MAJOR HURDLE IN THE WAY OF STABLE ECONOMY

The Pakistan Tehreek-i-Insaf before entering into power was the staunch

advocate of corruption as a major factor in the destabilization and destruction of the economy of any country. Their stance against corruption was the sole purpose of the Pakistan Tehreek-i-Insaf to use as a slogan and being an important part of their party's manifesto and this fact was clear from the fact that one of its leader as Chaudhary Muhammad Sarwar had said that Pakistan Tehreek-i-Insaf (PTI) when will come into power will ensure accountability of the corrupt elements and the purpose of this will be to utilize national resources for the masses.²¹ But in the government of Pakistan Tehreek-i-Insaf the prices hikes i.e. petrol, oil, gasses, rising inflation, the government bought LNG for \$15.25 per unit which is 70 percent more than the purchasing price of Pakistan Muslim League-N in its tenure.²² All such measures depicts that the main reason for the increase in the prices of at least 51 commodities, rising inflation, is none other than increased corruption in each and every sector. Transparency International in its report in 2020 showed Pakistan at 124th²³ place while it was at 118th place during the previous government. It shows that corruption became the main reason for the failure of the Pakistan Tehreek-i-Insaf in normalizing and strengthening the economic conditions and because of which no any foreign investment was happening in Pakistan.

POULTRY FARM BUSINESS PLAN

The government of Pakistan Tehreek-i-Insaf started the Prime Minister's backyard poultry initiative in the province of Khyber Pakhtunkhwa under the National Agricultural Emergency Programme and it was said that around 1,000,000 chickens would be distributed to the eligible families at subsidized rates in the province during the next four years. In this programme it was said that a unit consisting of a rooster (cock) and five hens would be sold for 1050 and every year 40,000 such units would be given away to the families.²⁴ The purpose of this programme was to uplift the downtrodden masses of the society and to give support to them to stabilize their economic conditions to alleviate the poverty and the Prime Minister who was mocked by the netizens at such a step said that our government is proposing a plan which does not need billions of dollars.²⁵ During this it was said that this programme will be extended to the province of Punjab, Sindh, Balochistan and to Azad Jammu and Kashmir to distribute chickens among the families in next four years. This programme was started at that time but it was not more than a ludicrous act to strengthen the economic conditions of the country and its people. The programme nowadays seems very rare and no useful results has been seen nor any impact on the economy of the country.

CONCLUSION

From this whole discussion it can be concluded that all the measures, initiatives, steps, programmes, plans, policies of the government of Pakistan Tehreek-i-Insaf were the main cause of the deteriorated economic conditions. Because of such direction less measures and steps the inflation rose to the highest, the costliness rose to the highest ever, the poverty escalated, the unemployment increased, the crisis i.e. of sugar, LNG, petrol, medicines, rice produced, the devaluation of rupee against dollar reached to its highest 178.45 in comparison to the previous government, the growth rate came to the negative territory i.e. -0.47 in the year 2020. The measures caused Pakistan to remain on the 124th and then 140th place in the most corrupt countries while it was 118/120 in the previous tenure and this figure showed the hypocrisy of the government of Pakistan Tehreek-i-Insaf which was strongly criticizing the previous governments on corruption

itself became the most corrupt party and government in Pakistan. Because of such policies of the government of Pakistan Tehreek-i-Insaf the foreign investment is not seeing in the country while in the previous government every second day there was the president, prime minister or any investors' delegation coming to Pakistan and was starting businesses here which was a good sign for the country and its economy but in contrast to this in the Pakistan Tehreek-i-Insaf term no any visit of the foreigner was seen nor any investment is seeing which is affecting the country and its economy. The epitome of all the policies of the government of Pakistan Tehreek-i-Insaf was described by the former chairman of the FBR, Mr. Shabbar Zaidi as "We keep saying that everything is good, the country is running well, we have achieved great success and we brought tabdeeli (change) but this is wrong. In my view, Pakistan is, at the moment, bankrupt and not a going concern" and "It is better if you decide first that we have reached bankruptcy and we have to move forward compared to saying everything is running well and I will do this and that. These are all things to deceive the people".²⁶



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