**Economic Pledges in Times of Elections**

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The elections are going to take place in a couple of days. The political parties yet gain started to chant the slogans to catch the hearts of the people. In the last couple of years, the people of Pakistan have suffered a lot due to economic meltdown. Political parties use economic promises to mobilize support from various segments of the population. Tailoring promises to specific groups, such as the working class, small business owners, or specific industries, can help garner support from these constituencies. The inflation is continuously increasing and now almost touching the mark of thirty per cent in the last year. Currently, the inflation rate is almost 23 per cent. Similar is the situation of unemployment. On the other hand, the most chronic economic problem which has affected the people of Pakistan is the energy prices. The prices of electricity, gas and automobile fuel have risen significantly. And with every passing day, it looks like the relief is far away. The expenditures on energy have specifically hit the middle class, which is already under a lot of economic stress. In these hard times number of election slogans have been chanted by the political parties.

The political elite must understand the ground realities before chanting these slogans.

The two political parties which have previously ruled Pakistan a couple of times are changing the slogan that we will give free electricity up to three hundred units. These kinds of statements are coming from the leaders who want to win and rule the Pakistan for next five years. It looks like the ruling elite is living far away from the economic realities. The issue of circular debt is impacting the economy at large. Despite the massive increase in tariffs, the circular debt stock of Pakistan’s power sector increased to Rs2.31 trillion by the end of June 2023, up from Rs2.25 trillion at the end of the previous fiscal year Rs57 billion, or nearly 3% higher after 12 months. One of the prime reasons behind the issue of circular debt is governmental subsidies. The government often provides subsidies on electricity tariffs to keep them artificially low, which can contribute to a gap between the cost of production and the revenue generated. This difference is a significant factor in the circular debt problem.

Economic promises during election times are a common feature in political campaigns worldwide. Politicians often use these promises to attract voters by addressing their economic concerns and aspirations. The types of economic promises made can vary widely based on the political context, prevailing economic conditions, and the specific needs and priorities of the electorate. While economic promises are important in shaping political narratives and influencing voter behaviour, it’s essential for voters to critically evaluate the feasibility and credibility of these promises. Political and economic realities, as well as unforeseen challenges, can impact the ability of elected officials to deliver on their commitments. As such, informed and vigilant citizens play a key role in holding leaders accountable for the promises made during election campaigns.

Economics and politics are deeply intertwined, and the decisions made by politicians can have profound effects on the economic well-being of a country. Politicians play a central role in shaping economic policies. These policies encompass fiscal measures (government spending and taxation), monetary policies (controlled by central banks), trade policies, and regulatory frameworks. The choices made by politicians can impact economic growth, inflation, employment, and income distribution. It’s important to note that economic decisions are complex, and there are often trade-offs between different policy objectives. Political ideologies, public opinion, and external factors also influence the choices made by politicians in the economic domain. Additionally, the effectiveness of economic policies may not be immediately apparent and can be subject to debate among economists and policymakers.

The political elite must understand the ground realities before chanting these slogans. The people of Pakistan have suffered a lot in the last couple of years. For the political elite, it is important to understand that subsidies are often implemented with good intentions, they can lead to economic losses or inefficiencies in certain situations. It’s important to note that the impact of subsidies varies depending on the specific context, the design of the subsidy program, and the economic conditions. Well-targeted and temporary subsidies designed to address specific market failures or social objectives may be effective without causing significant economic losses. However, indiscriminate or long-term subsidies can contribute to the challenges mentioned above. Policymakers need to carefully evaluate the costs and benefits of subsidies and consider alternative policy measures that may achieve the desired objectives more efficiently.

Let’s hope against the odds that this time the new political government will make rational economic decisions instead of going with the wind, which has already caused a lot of damage.

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