**Evaluating the PDM Government**

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On the advice of Prime Minister Shahbaz Sharif, the President has dissolved the National Assembly, thereby bringing an end to the PDM government’s nearly sixteen-month rule. It is now an appropriate time to review its successes and failures.
Let me start by acknowledging that the PDM government inherited an economy in tatters, largely due to irrational economic initiatives of the PTI government. These initiatives, along with unprecedented borrowing and reneging on commitments made to the IMF, pushed the country to the edge of a precipice, facing the prospect of default. Additionally, the burgeoning inflation added to the misery of the masses, who were fervently hoping for an end to it during the waning days of the PTI government. The people’s wish was granted when the PDM, through constitutional means, ousted the PTI regime.
The situation was undeniably precarious, requiring not only the restoration of IMF’s confidence but also the completion of the ninth review of the Extended Fund Facility (EFF). Regrettably, despite prolonged negotiations, Pakistan could not successfully complete the ninth review of the EFF. Eventually, the IMF reached a staff-level agreement on policies supported by a Stand-By Agreement (SBA) totaling $3 billion for nine months. This can be viewed as a success, as it prevented the country from defaulting.
However, it must be acknowledged that the PDM government, in its pursuit of completing the ninth EFF review, raised prices of petroleum products, electricity, and gas. It also allowed the dollar-rupee rate to be determined by market forces and withdrew certain subsidies. These actions triggered a fresh wave of inflation, further eroding the purchasing power of the economically disadvantaged. The SBA also imposed conditions to increase utility and petroleum product prices, some of which have already been implemented. While these steps may have fulfilled IMF commitments, the fact remains that the PDM government failed to alleviate the people’s suffering.
Nonetheless, it’s important to note that factors such as catastrophic floods in 2022 and spikes in international prices due to the Russia-Ukraine war contributed to rampant inflation, factors beyond the PDM government’s control. Nevertheless, it’s fair to conclude that despite these justifications, the PDM government could not convincingly explain the significant rise in commodity prices to the masses.
The economic situation deteriorated further due to the prevailing political instability that has plagued the country since Imran Khan’s removal from power. This instability casts a dark shadow over the nation’s political landscape and prospects for economic recovery. Beyond economic and political challenges, the PDM government grappled with rectifying diplomatic relations with the USA and other countries, particularly addressing China’s concerns regarding the PTI regime’s handling of CPEC projects, which were temporarily put on hold.
The resurgence of terrorism presented another daunting challenge for the PDM administration. This resurgence was partly a consequence of the PTI government’s ill-conceived negotiations with TTP, allowing their return to previously cleared areas after Operation Zarb-e-Azb. Coupled with an unsympathetic judiciary, these were issues the PDM government had not anticipated.
Regarding rectifying relations with the USA and addressing China’s misgivings about CPEC projects, the PDM government succeeded in removing anomalies. CPEC is back on track, and China has committed to investing in rail-links and ML-1, doubling the track between Peshawar and Karachi. Pakistan also secured funds for flood-related losses at COP 27 while chairing G77, which can be considered a government success. Effective flood management was another commendable undertaking by the PDM government. Additionally, positive achievements include passing the PEMRA Amendment Bill to protect media workers’ interests and initiating health insurance cards for journalists.
Introducing corporate farming under the Army’s initiative is a visionary step that promises food security and introduces new farming technologies. The establishment of the Special Investment Facilitation Council (SIFC), employing a whole-of-government approach with Army involvement in decision-making and policy implementation, marks a promising start.
Given the current circumstances in Pakistan and the fragile state of the economy, apart from boosting exports, attracting Foreign Direct Investment (FDI) is a key strategy. The SIFC’s mandate to secure $100 billion FDI within three years and increase GDP to $1 trillion by 2035 is ambitious. Focusing on investments in agriculture, livestock, mining, IT, defense production, and energy from countries like China, UAE, Turkey, Bahrain, and Saudi Arabia, the council aims to simplify bureaucratic procedures and expedite FDI facilitation. Notably, these countries and numerous multinational corporations have expressed keen interest in investing in the designated sectors.
While corporate farming and SIFC establishment are visionary strides, it will take time for their benefits to materialize. The PDM government’s crisis management efforts stabilized the economy, yet immediate relief for the masses is unlikely. Economic initiatives inherently involve time lags before yielding results.