**[The Nawaz model](https://www.dawn.com/news/1783810/the-nawaz-model)**

[Khurram Husain](https://www.dawn.com/authors/675/khurram-husain) Published October 26, 2023 Updated about 23 hours ago

IT is one of the big mysteries of Pakistan’s politics. How has Nawaz Sharif managed to endure as a political force at the top levels of Pakistan’s politics for so long? How many others have survived two ousters (one by the military, second by the judiciary), followed by two periods of exile, only to return and reclaim his mantle as the contender for the position of prime minister?

Times, of course, have changed, and Nawaz is set to find that out for himself. Inflation, massive urbanisation and a growing youth bulge in the electoral rolls is changing the nature of politics in critical ways.

The share of votes cast for the PML-N since 1998 has shown a near consistent decline and it remains a question mark whether this trend can reverse itself in the near future. Besides the aging leadership of the N league, and their disconnect with the more youthful voters, there are structural challenges they have to overcome as the electoral demographic is shifting beneath their feet.

When meeting this challenge, Nawaz is likely to deploy a model of managing the political economy of the country that is his signature style of politics, and perhaps is the main reason behind his longevity. The model itself is simple in its construction. The real trick is in its implementation.

Basically, the Nawaz model requires the disbursement of resources through the electable politicians, schemes run by the provincial government targeting specific segments of the populace, and the development budget of the federal government targeting mega projects for visibility and juicing growth by high public expenditures. Between these three, the party burnishes its presence in the minds of the voters, and creates a growth illusion that appears to people like the return of prosperity.

Once again, Nawaz Sharif is presenting his model of growth as the panacea to the country’s moribund economic situation.

The model works well in one sense, but fails spectacularly in another. It works to shore up the party’s politics, but fails in the economic sense. With the alliances that are built up during the model’s execution, the party in power is freed from the traditional constraints that impinge on its ability to bring about change.

This is one reason why the PML-N under Nawaz has historically been able to do more than any other civilian party to advance a reform agenda including, for example, liberalisation and privatisation. It is also a reason why it has managed to mobilise private sector energies behind its economic programme better than anyone else, whether in the preparation of the public sector banks for their eventual sell-off in the late 1990s, or in the joint ventures that were the hallmark of the CPEC years from 2013 onwards.

In a sense, the Nawaz model is all that the country has produced in the response to the challenges of globalisation since the early 1990s. There is no other package of policies or programme. And this is where the problem lies. Because the Nawaz model does not, in fact, work. Not in the economic sense anyway.

The critical flaw in the model is that it is resource-intensive. The model, when it is operated, consumes fiscal and foreign exchange resources faster than it can generate them. For this reason, every time the country has been run under the model, it has seen a skyrocketing debt burden pile up, because the resource requirements of the model are eventually met through public borrowing.

This is also one reason why implementation of the model leads to conflict between the ruling party and the military. The origins of Nawaz’s fights with the security establishment always lay in a tussle over control of the material resources of the state. This is easy enough to demonstrate using some basic numbers.

For now, it is enough to note that in all three instances when it has been implemented, from the early 1990s, the late 1990s and then again the mid-2010s, the party landed up in an all-or-nothing fight with the establishment. In all three instances, it lost the fight, but not the initiative.

Once the faces in the establishment changed, the party was back as a contender for power at the centre. And with each return, it found new avenues to arrange the financing required to operate the Nawaz model, with the high point of this story coming in the CPEC years, when external borrowing skyrocketed to historic levels to finance a domestic consumption and investment binge that had not been seen in a decade.

Nawaz is back once again. And once again he is presenting his model of growth as the panacea to the country’s moribund economic situation. In his [Lahore address](https://www.dawn.com/news/1782567) on the day of his return, he presented the ‘Asian tiger’ as the alternative to Imran Khan’s ‘Riasat-i-Madina’, promising to build a country that is economically vibrant and focused on solving economic problems and generating prosperity. He presented his track record from the past in this light, and claimed that he has done it before and will do it again.

But the Nawaz model was never actually the panacea it appeared to be. It cannot meet its own resource requirements. It delivers consumption and calls it prosperity. It drives the economy with publicly funded mega projects that are not capable of paying themselves off. It drives up debt levels, generates deficits faster than any other more meaningful metric such as exports. It has killed the country’s productivity base.

Politically it works, but economically it is a disaster. This should not be taken to mean that others have a better model to revitalise growth in these moribund years. It just means that the Nawaz model is the only game in town in a globalised world, and it simply does not work, except to shore up the political fortunes of the Sharif family.

Whether or not Nawaz can afford one more run of this model to cement his return to politics will depend crucially on whether he can find the resources to pay for its requirements.

*The writer is a business and economy journalist.*

[**khurram.husain@gmail.com**](https://mailto:khurram.husain@gmail.com)

**X (formerly Twitter):** [**@khurramhusain**](https://twitter.com/KhurramHusain)

*Published in Dawn, October 26th, 2023*