**Challenges and opportunities**

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As the definition goes, a welfare state is a concept of government in which the state or a well-established network of social institutions plays a key role in the protection and promotion of the economic and social well-being of citizens. And as per Mariam Webster; the national interest of a nation as a whole held to be an independent entity separate from the interests of subordinate areas or groups and also of other nations or supranational groups.

Examples include territorial integrity, national independence, state sovereignty, and the ability to pursue economic development. National interests are pursued by a state over a long period of time and include interests like ecological balance, the military force, the economy and industrial modernisation.

“The meaning of national interest is survival—the protection of physical, political and cultural identity against encroachments by other nation-states.” — Morgenthau.

Pakistan is a democratic country as per its constitution. Political parties are the pillars of democracy—popular leaders are elected as rulers. Leaders are elected to serve the people—those who want to be elected must serve better—parties reflect fundamental political divisions in a society. As a matter of fact, a political party brings together people with the same political ideas. By taking part in an election, parties hope to get as many of their members as possible and get legitimacy to govern for a given period of time. During the same period the opposition party acts as a \*check and balance\* on the ruling elite to ensure it works for the betterment of the public. That means the opposition is, in the practical sense, a part of the system and has responsibilities.

A state cannot be stable as long as its economy is not stable. Therefore, the economy and economic policies have to be a “constant factor”, like the defence of the country, for all political parties of our country. A sustainable economy needs long-term policies, not only in the conceptual domain but more so in the practical domain.

It is, therefore, in the interest of all political parties, to now “politicise” economic policies. Whoever gets to lead the government after every election, should inherit a healthy economy. Public interest has to be given preference. A public scheme launched by a government often becomes controversial for the next government if it’s from another party. Long-term projects especially suffer for one reason or the other, primarily due to the interests of political parties over public interests. The construction of dams, hospitals, stadiums, communication infrastructures etc are a few examples to quote. A race to inaugurate and take credit for some project is always counterproductive and damaging, like what happened in WAPDA a few years back. Efforts must be acknowledged and lauded regardless of who is the beneficiary. An example is the establishment of Rescue 1122.

One simple way to define the economy: It’s the way people spend money and the way people make money. An economy can be big or small. The word can refer to a local economy, such as the way people spend and make money in a small town or larger city. It’s primarily the role of the sitting government (opposition included, as stated in the above paras), to ensure a reasonable standard of living (if not good) for the public.

Factors that determine a standard of living include:

– Income

– Physical health

– Quality of the environment

– Housing availability

– Life expectancy

– Personal safety

– Access to education

– Medical facilities

– Social services

Factors that can contribute to low living standards include:

– Lack of adequate industry in a particular area,

– Lack of jobs,

– Insufficient health care services,

– Lack of public transportation,

– Lack of food or water,

– Government oppression,

– and many more

Having a low living standard limits a person’s ability to participate in the wider society, curtails their quality of life, and can have negative long-term consequences across a wide range of social and economic outcomes. It also adversely affects human behaviour, conduct and discipline. It contributes to negativity, lawlessness, depression and even violence.

Pakistan is blessed with huge resources both in terms of men as well as material. It has a history of facing international payment crises many times amid the depletion of Foreign Exchange Reserves. However, the positive side is, it has never defaulted on payments throughout its history. Our exports have been far low in comparison with imports, which puts a huge pressure on our reserves. However, remittances from expats have been playing a crucial role along with inflows through various schemes.

Recently, foreign currency inflows on account of Roshan Digital Accounts (RDAs) from overseas Pakistanis have continued to rise. These surpassed $4 billion in April 2022, despite global political and economic instabilities, more so in Pakistan. Inflows are a huge support towards stabilising the country’s foreign exchange reserves. Without these, our foreign exchange reserves would have decreased to a critical level. Inflows through RDAs are in addition to huge monthly workers’ remittances by overseas Pakistanis. That has helped to finance elevated trade and current account deficits. They sent a record high $2.81 billion in workers’ remittances in a single month of April 2022. The estimated amount is around $ 30-31 billion in the current fiscal year 2021-22.

Pakistan is yet to take full advantage of Generalised Scheme of Preferences (GSP+) status which is ending in December 2023. The objective of that status was “trade diversification” but we are still heavily relying on textile only. Other sectors like agriculture, fruits especially citrus (like kinnnows), leather, halal meat, jewellery and horticulture sector, despite fulfilling EU’s requirements, were not able to capture EU markets. Our relevant ministries as well as foreign missions didn’t work well on that front. Exports to the EU, dominated by textile and clothing, accounted for 75.2 percent of Pakistan’s total exports to the EU in 2020. Needless to say, for sustainable growth, our country needs to diversify exports. Sectors like IT have a massive potential that the government must explore.

The present government is a coalition of a number of parties, fearing backlash of unpopular (but much needed decisions including some which need continuation from the former government on merit) economic decisions. Unfortunately, there is no luxury of time. Forex reserves are decreasing. There is no respite to global commodity prices, except oil going down 5 percent due covid in China, which is the biggest user of it. Timely action is needed. Traditional supporters of Pakistan have made it clear that there would be no support without bringing the IMF on board. The World Bank and ADB always wait for the IMF’s nod in low SBP forex reserves. Even the China-led Asian Infrastructure Investment Bank (AIIB) is not ready to help without the IMF.

After the next elections, all parties making to the legislature should sit to decide on sustainable economic policies for the country with a professional team and without doing politics on that. It would bring not only prosperity but also enhance the respect of all politicians in the eyes of the general public, which has deteriorated at a very fast pace during the last four decades or so.

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