

## The Rise of Populism and The Political Economy of Pakistan

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### Abstract

Pakistan's political landscape has witnessed a recent surge in populist rhetoric and movements. This research investigates the link between this phenomenon and the country's specific political economy. It argues that widespread economic anxieties, fueled by income inequality, limited opportunities, and perceived elite capture, have created fertile ground for populist appeals. While populism in Pakistan often champions social welfare programs and projects a narrative of fighting for the common man, the long-term economic consequences of these policies require scrutiny. Populist leaders might prioritize short-term gains over sustainable economic reforms, potentially impacting foreign investment and fiscal stability. Additionally, populist rhetoric can exacerbate social divisions and undermine democratic institutions, raising concerns about minority rights and political stability. However, populism also presents opportunities for challenging the status quo and addressing genuine public grievances. Populist movements can highlight issues of economic marginalization and demand greater accountability from the state. They can also foster a sense of political participation among previously disengaged segments of society. Analyzing the complex interplay between populism and Pakistan's political economy is crucial for understanding the country's future development trajectory. By addressing economic inequalities and promoting inclusive political participation, Pakistan can navigate the challenges and potential benefits of populism towards a more equitable and democratic future.

**Keywords:** Populist Theory, Populist Leaders, Political Economy, Economic Development, Democracy

### Introduction

'Populism' which can be described as the appeal to the masses of the people usually in opposition to a group deemed to be the representatives of the establishment has emerged in many political systems across the globe. Thus, populism is the political strategy that is based on the anti-elite discourse; it involves direct interaction with the population and is frequently connected with the appeal of a leader, who presents himself/herself as a vanguard of the people (Mudde and Kaltwasser, 2017). Populism invariably emerges after social and economic transformations and people's discontent is used for the redistribution of the political power. The author claims that Müller (2016) warned that populism always relies on the dichotomy of "the pure people" and "the corrupt elite," which defines politics. This reactionary characteristic of populism can distort

democratic processes as a result of eradicating voices opposing to populists and accumulation of power in the hands of the populist leaders. During the most recent years of the twenty-first century, the phenomenon of populism has increased across the developed and developing countries due to the increasing level of economic dissatisfaction and political alienation (Inglehart and Norris, 2016).

Political economy, the idea that politics and economics are heavily interrelated on local and global levels, is the cornerstone to grasp what happens inside a country such as Pakistan. This analytical area got developed with an understanding that politics shapes economics and vice versa; that is the study of how political systems determine/are determined by economic arrangements (Robinson and Acemoglu, 2012). These difficult socio-political characteristics some of which are income disparities, corrupt practices, military interjections in politics which constitute the political economy in Pakistan. The economic policies which were adopted from one government to another were bias as they worked more to favor the interest of the affluent, thereby widening inequality and source of social revolution (Zaidi, 2015). Also, political patronage, a type of favoritism in business, has remained a major factor that has retarded economic growth and hence citizens' indignation (Jalal, 1995). These features point out that in order to assess the role of the given factors in the growth of populism, as well as the prospects for the further evolution of the political situation and the state's development, it is crucially important to comprehend the political economy of Pakistan.

The purpose of this research is to understand the role played by the political economy of Pakistan in the sustenance of populism in this country. The central research question guiding this investigation is: What role has Pakistani politics and economy played in order to build up the populism? This question is relevant as it covers the core issues of economic insecurity and political instabilities that paved the way for populism in Pakistan. Thus, the study will focus on such factors and will try to give the audience a detailed picture of how economic policies, political systems, and populism are interrelated. In the light of Ahmad (2017), there is an increasing disillusionment with the conventional parties and their failing to address demands regarding issues of economy which has left the door to populist leaders open. Also, the bigotry with ethnic and religious card by the populists has deepened the political divides (Siddiqi, 2019). This paper will aim at establishing the manner in which these components combine to enhance the advancement of populism with the objective of shedding light on the general trends of political and economic change in Pakistan.

The growth of populism in Pakistan has therefore been necessitated by a number of economic as well as political factors. Sharing the same sentiment, Husain noted that multiple economic precursors such as inequality, scarce job opportunities and perceived sense of the elites undermining the people's interest have fueled populists' messages. Most of the populist leaders in Pakistan pretend to be the opponent of inefficiency and a warrior for social uplift and safety of their fellow countrymen primarily the economically troubled class of society. However, long-time implementations of these populists' goals that may often involve measures taken in the hope of winning the next elections rather than sound economic policies, have a lot of problems in terms of fiscal responsibility and democratic process in the country (Zaidi 2015). Populations vulnerable

to such inspirational words often tend to sharpen factional cleavages and challenge democracy's organic structures; minority rights and political stability becomes an issue (Siddiqa, 2019). However, populism also has its positive aspects; it allows talking about the violation of a population's rights and about real problems that people face. Thus, by focusing on problems associated with an economic exclusion and appealing to the people to put pressure on the state, populist movements can mobilize citizenship of hitherto non-politicized groups (Ahmad, 2017). Therefore, studies in populism and the political economy provide a solid foundation for analyzing Pakistan's development path.

### **Populism in Pakistan**

Pakistan has a long history of populism in the political history of the country; however, the earlier manifestation of this phenomenon is associated with Zulfikar Ali Bhutto in the 1970s. The PPP, formed by Bhutto, successfully exploiting the people's growing disillusion with the status quo offered yet another 'Mirage' of 'RKM' popularly known as Roti, Kapra, and Makan, translating as Bread, Clothing and Shelter to the masses. Bhutto embodied plain populism with anti-elite frequent themes to do with distribution of income and nationalization to assist the poor (Talbot, 1998). He tried to use the traditional charismatic authority as well as the mass mobilization tactic, making himself the people's hero fighting against the inefficient and corrupt bureaucratic oligarchy (Waseem, 2007). But eventful it was: Bhutto very soon realized the downside of populism where his regime is concerned, and his downfall and execution following a military coup in 1977 was not too distant (Jalal, 2014).

In the recent past, political populists and fundamentalists have come upfront in the political theater of Pakistan. Imran Khan is another example of contemporary populism in the political context of Pakistan He is the chief of Pakistan Tehreek-e-Insaf. Khan came to power with the very good intentions of eliminating corruption, enforcing justice and the vision of a better Pakistan or as he called it 'Naya Pakistan' (Murphy, 2013). His campaign built on people's anger with the conventional political parties which were regarded as selfish and indifferent to people's sores (Ahmed, 2016). Khan main appeal is felt much amongst the youths and the urban middle class who are disappointed with the perennial challenges facing the nation; emesis being unemployment, inflation, and deficiency in social amenities (Jalal, 2019). Mr. Khan has been working as Prime Minister of Pakistan and during his leadership, he tried to fulfill his populist steps and directions for the country, but his government having faced many challenges and controversies regarding its economy and policies.

The points of reference that populist politicians in Pakistan harness include the establishment's disdain, economic insecurity, and independence. Bhutto and Khan are frequent references to populism and the economic frustrations of the Pakistani population along with the perception of corruption by the elite bureaucratic field. Anti-corruption has been a prominent issue, and the populists painted the political and economic circles as the prime source of the nation's ailment (Siddiqa, 2017). Also, as a form of appeal to a mass audience, populism in Pakistan often focusses itself in nationalist rhetoric, such as the call for independence from external influence, which will appeal to the Pakistani population that like to think of their country as an independent nation and not controlled by anyone else (Lieven, 2011).

This is especially more so when used in a nation with a background of military incursions and an ambiguous status in the international system. These themes have effectively been deployed by various actors of populists in Pakistan to gain support and shift the power dynamics. Economic injustice coupled with welfare and the fight against corruption messages, appeal to everyone hence it's a narrative across the different strata of the society (Nawaz, 2016). Autocrats have also not wasted time to use economic downturns or scandals as a way of mobilizing people and driving their agenda as seen with Akhtar (2018). As for populism in Pakistan, on the positive side it opens a possibility of political participation and giving an answer to people's demands, but on the negative side, threats to democracy and social solidarity are observed. Populism of hatred always sharpens existing rifts in society and becomes the primary threat to the stability and progress of society (Siddiq, 2019). Thus, comprehending the reality and distinct trends of populism in Pakistan is significant to face these challenges and positively transform the political climate.

### **Political Economy and Discontent**

This paper posits that Pakistan's political economy makes the country susceptible to populism because of structural economic vulnerabilities and the problems of governance. This has made this country to have a large income bracket with the majority of the population having very little access to the country's income and resources as compared to the minority influential rich class (Easterly, 2001). This economic division has caused people discontent and given a strong marker for populist leaders who assure to respond to the issues of the poor majority. Also, the economic structures of Pakistan are still low and agricultural base and unluckily Pakistan did not show a right direction to diversify and industrialize itself which hound the economic prosperity and mobility dividing line between the rich and poor (Amjad, 2013). These economic problems have been worsened by factors that are outside the country and include among others volatile international prices for commodities and geo-political risks that have a negative impact on the economic stability of the country leaving the citizens most of the time feeling unease about the economy according to the views of Kugelman, (2013).

Some of the problems that negatively affect the economic potential of Pakistan in favor of the population include income distribution and corruption. Corruption which is defined as the abuse of power in entrusted responsibilities for private gains, has especially sunk its roots very deep into the political and bureaucratic systems where, for instance, patronage networks and rent-seeking behaviors have become rampant in all tiers of the government (Cheema, Khan, and Myerson, 2016). And, this corruption does not allow the funds to be spent for the public services and the development projects, but also reduce the people's confidence on the state apparatus. Therefore, several Pakistanis comment that they are excluded from the democracy and they are convinced that someone is defeating them, which is a strategy that the populists, such as Imran Khan, have taken advantage of to mobilize people (Martin, 2016). On the one hand, there are no proper job opportunities for a large part of the population; moreover, young people and rural residents are especially dissatisfied. Unemployment rates and underemployment alongside the poor access to education and training make many individuals stuck in poverty with frustration (Haque, 2018).

Lack of governance and poor service delivery also play a vital role to fall in public satisfaction in Pakistan. This has resulted in the state failing in its ability to deliver services such as health, education and other social infrastructure and hence the public outcry of the quality and quantity of public goods (Khan, 2017). Problems of governance such as poor productivity, corruption, and bureaucratic delay affect the way policies and programs aimed at enhancing the quality of people's lives are implemented. Such governance failures breed populists, who vow to slash unnecessary corridors and bring tangible dividends to the various populace's hearths. The leaders stir the populist approach and appeal the masses by presenting themselves as people who can change the system by ending corruption and inefficiency (Shafqat, 2018). The outcome is a situation where populist movements mobilize themselves with the help of governance deficits and, thus, deepen the polarization of politics, thereby compromising any attempts at attaining and consolidating sustainable and inclusive development.

### **Populist Policies and Economic Outcomes**

Newly emerging populist parties in Pakistan have held economic liberalization in their earlier regimes, where leaders Zulfikar Ali Bhutto and recently Imran Khan have focused on the social welfare programs to target the vulnerable section of the society. Thus, during Bhutto in 1970s there were series of nationalization in addition to socialization which aimed at eradication of poverty and unemployment (Ali, 1983). Along the similar lines, in order to increase the social protection, the current PTI led government of Imran Khan has championed the Ehsaas Program to offer cash transfers for the destitute families, for enhancing the healthcare and education services (Khan, 2019). These policies reflect a core tenet of populism: as a result, the Washington consensus largely represented the tendency to turn our attention to the immediate social rescue at the expense of radical structural-economic transformations. Though, such measures aim at temporary solutions and help gain popularity among the public at the cost of the populists who ranked for office, and often harm fiscal as well as sustainable economic development (Zaidi, 2019).

Populism can have immediate classic budgetary impacts on economic basics such as increased direct governmental spending and larger budgetary deficits, as resources are moved away from such things as welfare programs and subsidies (Hussain, 2020). This increased expenditure can increase demand in the domestic economy and yield quick results, such as eradicating poverty and raising the living standards of the poorest groups in the population. Nevertheless, such policies in the long-run may pose several major economic issues. The continuous budget deficits cause higher public debt as a ratio to the GDP hence a hike in borrowing expenses and a decline in the fiscal space concerning worthwhile investments in frameworks and human capital (Amjad, 2013). Besides, concentration on redistribution policies in preference to growth enhancing measures may slow down economic growth and productivity thus affecting the overall growth and development (Naseem, 2012). These problems are further compounded where populist governments do not adopt the politically unpopular, but economically desirable structural reforms like the broadening of the tax base and improvement of institutional quality.

Another con of populist communication in Pakistan is that they lessen the foreign investment and also are not good for the stability of the economy of the country. Such leaders are

nationalist and protectionist, which makes international investments unpredictable. For example, anti-foreign entity and multinationals sentiment together with unpredictable policies can deter investor interest (Malik, 2014). It became apparent when Bhutto was implementing the nationalization policy that very much reduced foreign investments and afflicted the investment climate in Pakistan (Ali, 1983). Likewise, PTI, especially Imran Khan's attitude of reliance on domestic procedures and caution against global financial organizations has given jitters to the global investors regarding stability and consistency of the economic policies of Pakistan. This leads to fluctuating FDI and hinders the growth of economy, employment opportunity among others. Also, due to the inclination of populists towards pursuing policies with short-term goals in mind, macroeconomic imbalances are likely to worsen as observed through aspects such as inflation, depreciation of currency, and other factors related to instabilities (Ahmed, 2016). Hence, although populists' policies are beneficial for gaining the voters' approval in the short run, their long-term effects on the Pakistani economy can create problems for sustainable development for the country.

### **Populism and State-Society Relations**

Populism entirely influences state to society interactions in Pakistan through restructuring the political interaction and structure of legitimacy. While the leaders being classified as populist usually embrace the image of the guardian of the ordinary citizens and you associate yourself with the fight against the elite and the return to the masses (Jalal, 2014). These are echoing in the context of Pakistan where due to historical and existing inequality in the economic structure, perceived inefficiency/corruption in the government, and perceived ineffective policies, the population has turned into utter frustration (Hussain, 2019). Thus, having disavowed their insider status in politics, MHAs such as Imran Khan ability to galvanize segments of society that are most likely to feel that they are on the periphery of the political system (Murphy, 2013). This dynamic alters the balance of power between the state and society since the state now turns to the direct mobilization of the populace's emotions thus possibly sidelining institutions of democracy (Shafiqat, 2018).

The communication tactic of populist leaders in Pakistan comprises charismatic leadership, and employing interactive communication directly with the masses, media activism. They frequently use language which poses choices as black and white and portray their political fight as that between the righteous masses and the malicious forces (Nawaz, 2016). This approach can compromise democracy as checks and balances which are vital organs in a democracy are compromised. For instance, populist leaders may question the independence of the judiciary, influence the independence of the electoral commission or limit the powers of the parliament (Siddiq: 2017). Since power is centralized in the executive branch and institutional checks and balances are neglected, populists can jeopardize the democratic system and ensure that leaders cannot really be sent to power anymore (Zaidi, 2019). Furthermore, populist uses related tricks to generating social networking sites and large-group meetings, claiming to work directly with the people to avoid the official media and parliamentary democracy (Ahmed, 2016).

The threats of populism for social cohesion and minorities' rights in Pakistan are indicative in the following way. The main message of populists and their discourses is mainly based on

dichotomous discourses that can deepen social cleavages and encourage sectarianism, ethnicity, and religious intolerance (Lieven, 2011). Populists may feel that to gather support it is necessary to demonize some groups, for instance, minorities or other vulnerable population that does not fit into the populists' concept of pure nation (Rizvi, 2018). This can result in decision making policies that inhibit their growth and restricts their rights even more so denying them their freedoms thus subverting social capital and can even provoke violence (Shafqat, 2018). On the same note, populist politics are also characterized by exclusivity, something that poses a great danger to democratic principles such as pluralism. For example, discrimination against religions, or the silencing of people's opinions may lead to the emergence of a less tolerant society (Jaffrelot, 2015). Finally, although populism could satisfy some basic political demands rebalancing the power in favor of specific groups within a state, this phenomenon is dangerous for the sustainable further development of the state as an open and friendly to all sections of society project.

### **Conclusion**

In conclusion, Pakistan's political economy has played the role of a potential factor that has facilitated the growth of populism in the country. Income disparity, graft, and a scarcity of job opportunities remain unchallenged, which has entrenched populism that seeks to resolve the people's complaints. Economic inequalities that characterized political democracies in the past and persist up to the present have opened social injustice in governance and service delivery, thus brewing dissatisfaction and marginalization among many people. Such feelings are not very difficult to stir and two of Pakistan's leaders, Zulfikar Ali Bhutto and Imran Khan took advantage of such sentiment telling the masses that they were their protector against the corrupt elite. Preoccupation with concretely ameliorating people's status and providing welfare programs, which are, indeed, organizers of productive votes, have further resulted in myopia regarding the economy and the institutional infrastructure.

If populism becomes the major path in Pakistan, there are both opportunities and challenges for its further development. To some extent, the latter depends on populist measures, aiming at the management of social needs and ensuring that poor and vulnerable populations receive proper assistance and suffer from injustice in some ways. Nonetheless, such policies come with long-term economic costs that consist of the rise in the public debt and fiscal deficits besides a decrease in foreign direct investment. In addition, there is the deterioration of democratization processes and possible exclusion of the minorities that may have an adverse impact on social and political integration. Politician's discourse that portrays a given subject in black and white terms, labeling any opposition as 'enemies of the people' polarizes society and hampers societal growth allowing for the emergence of inclusive society.

In order to remove economic disparities and encourage political representation in Pakistan the following suggestions may be recommended. In the first place, there is a necessity for the all-encompassing micro/macro changes at the structural level which should facilitate the sphere's diversification, increased productivity, or development of permanent employments. This entails improving on infrastructure and human resource in education health sectors to foster economic development as a long-term strategy. Secondly, the government needs to pursue enhanced governance and institutional reforms as strategies for regaining the public's confidence and

efficient execution of its tasks. This entails fighting graft, achieving greater openness, and increasing the responsibility of civil servants to the citizens. Last but not least, it is necessary to establish the rules that would allow people with different background and worldview to respect each other and have a mutual dialogue in the sphere of political participation. It is recommended to also continue calling for protection of minorities, increased voter turnouts, and backing of democracy-related principles and structures. Thus, solving these problems, Pakistan can reduce the impact of populism and outline a more progressive and liberal model of development.

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