

The economics of festivals

Usama Abdul Rauf | 06th Jan, 2025



Pakistan, a country of diverse cultures and traditions, has yet to fully embrace the economic potential of religious inclusivity. Among the festivals celebrated worldwide, Christmas stands out as an occasion that transcends faith, spreading joy and fostering a sense of community.

While it is openly celebrated in major cities like Islamabad and Lahore, its reach in smaller or less-developed cities remains limited. This restricted embrace not only hinders social harmony but also leaves untapped a significant economic opportunity that could boost revenue generation, employment, and foreign investment in Pakistan.

Globally, Christmas is a multi-billion-dollar economic phenomenon. In the US, holiday spending in 2022 reached an estimated \$889 billion, according to the National Retail Federation. Even smaller economies leverage Christmas to spur economic activity. In India, where Christianity constitutes a minority religion, Christmas markets generate substantial revenue, creating seasonal jobs and invigorating local economies.

In Pakistan, the economic potential of Christmas remains unexplored. Suppose a nationwide approach to celebrating Christmas were adopted. In that case, it could lead to significant revenue generation across various sectors, including retail, tourism, and hospitality. For instance, small and medium enterprises (SMEs) could benefit from increased sales of decorations, gifts, and food items. Local artisans and craftsmen could find new markets for their handmade products, while larger retail chains could capitalise on holiday sales campaigns.

Such celebrations would also encourage the circulation of money in the economy. Increased consumer spending during the holiday season has a multiplier effect, boosting revenues for businesses and increasing tax collections for the government. For example, if even 10 per cent of Pakistan's population of 240 million spent an average of Rs5,000 each on Christmas-related purchases, it could inject Rs120 billion into the economy.

Pakistan's religious landscape is rich and varied, with Christians, Hindus, Sikhs, and other minorities contributing to its cultural fabric. Celebrating their festivals on a larger scale can generate similar economic benefits. For instance, Holi and Diwali, celebrated by Hindus, could involve cultural fairs, markets, and public events, driving demand for traditional clothing, food, and decorations. Similarly, Baisakhi, a Sikh festival, could be promoted through pilgrimage tourism to gurdwaras, benefiting local hospitality and transport sectors.

Combined, these festivals could create year-round economic activity, boosting GDP growth. Additionally, showcasing such celebrations would enhance Pakistan's soft image internationally, portraying it as a tolerant, inclusive society -- an essential factor for attracting foreign investment.

Inclusivity is not just a moral imperative but also an economic one. Pakistan stands to gain significantly by broadening its approach to religious festivals

In the post-colonial world, a country's global perception significantly influences its economic prospects. Pakistan's image, often associated with rigid conservatism, hinders its attractiveness as a destination for tourism and investment. By embracing and promoting religious festivals, Pakistan could project itself as a pluralistic nation, respectful of diversity and welcoming to all.

For instance, countries like the United Arab Emirates have successfully marketed their multicultural ethos, despite being predominantly Muslim. Dubai's Christmas markets and festive decorations attract millions of tourists annually, contributing significantly to its GDP. Pakistan could adopt a similar model, creating events that draw both local and international visitors.

Foreign investors, particularly from Western countries, often assess the cultural and social environment of a potential investment destination. A visible commitment to inclusivity could reassure investors about Pakistan's stability and livability. The World Bank's Ease of Doing Business Index frequently highlights social harmony as a factor influencing investment decisions. By promoting inclusivity, Pakistan could improve its standing in such rankings, encouraging greater foreign direct investment (FDI).

Achieving this vision requires a concerted effort from all stakeholders, including policymakers, religious leaders, and civil society. The following

steps are crucial: fostering dialogue among religious scholars and representatives of different sects to promote a message of tolerance; creating policies that facilitate the celebration of diverse festivals, such as tax incentives for businesses organising holiday events or producing festival-related goods; launching public campaigns highlighting the economic and social benefits of inclusivity; and encouraging public-private partnerships to create infrastructure for large-scale events like Christmas markets or Holi festivals, even in smaller towns.

By leveraging religious festivals as economic opportunities, Pakistan can unlock untapped revenue streams, foster social harmony, and enhance its international image. This approach aligns with global trends, where cultural and religious inclusivity often serve as catalysts for economic and social progress. Christmas, in particular, holds immense potential.

Beyond the direct economic benefits, it offers an opportunity to showcase Pakistan's commitment to diversity and tolerance. By embracing such celebrations, Pakistan can send a powerful message to the world: that it is a vibrant, inclusive, and investment-friendly nation.

Inclusivity is not just a moral imperative but also an economic one. Pakistan stands to gain significantly by broadening its approach to religious festivals. The path forward requires courage, consensus, and vision -- qualities that can transform challenges into opportunities and bring prosperity to all its citizens.

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