

UNLOCKING SUCCESS: THE POWER PLAY OF POLITICS VERSUS ECONOMY

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The success of any nation hinges not on the economic might of any country but on the politics of that country because “Money is the McMansion in Sarasota that starts falling after 10 years, and power is the old stone building that stands for centuries.”¹ Thus, a robust political system is the cornerstone of a country’s prosperity. To substantiate this assertion, it’s imperative to delve into the case study of Pakistan. Despite arguments positing economic prowess as paramount, evidence suggests that political stability is what reigns supreme. In Pakistan’s context, political stability underpins the country’s journey towards progress. Weak institutions, political polarisation, and chronic instability have impeded economic growth. It is only by stabilising the political system can Pakistan hope to unlock its full potential and pave the way for development. This essay will compare the success of nations with political and economic stability with specific reference to Pakistan.

Some people believe that economic power is the sole power for the success of any nation because a strong economy provides opportunities for upward social mobility. This mobility functions as a catalyst for spending and increases the wealth of the country. New classes are formed in this process, and people become conscious about protecting their economic rights. Hence, this economic growth and class consciousness result in the formation of an accountable and vibrant political system.

However, there is enough evidence to refute this school of thought and prove that only politics is necessary and the primary determinant behind a nation’s success. For every instance of economic progress in any country, political stability has played a key role. Similarly, a stable political system ensures the supremacy of the rule of law, which, in turn, is necessary for generating an

environment conducive to trade, industry, and economic growth. The Malaysian model of transformation can be seen as a case study because after decolonisation, the Malaysian economy was in great recession. With the dynamic leadership of Mahathir Muhammad, the country transformed itself and became an Asian Tiger.

Similarly, politics is key for the successful implementation of economic agendas of any government. Economic policies need good governance if they are to be effectively implemented, as their implementation is carried out by bureaucrats and institutions supervised by politicians. Hence, if politicians are not capable of overseeing the implementation process and managing the bureaucracy, the country cannot progress. It is always imperative for politicians to institute a meritocratic and efficient civil administration which can enforce the economic policies of the government.

Additionally, politics is not just limited to the provision of an environment conducive to the generation of wealth; it is also the key to ensure that fruits of economic development are equitably distributed between the various stakeholders in society. In the absence of political intervention to ensure fair redistribution policies, income inequality between rich and poor segments only exacerbates. In order to ensure a level playing field, a political government not only enacts progressive taxation policies to prevent the concentration of wealth in a few hands but also takes affirmative action to support disadvantaged sections at the lower rungs of the social hierarchy. Such arguments are also validated by Dambisa Moyo in her book, *Dead Aid*.

¹Quote from Frank Underwood, *House of Cards*. https://www.goodreads.com/author/quotes/17106118.Frank_Underwood_House_of_Cards

There is a dire need to understand that economic decisions are not purely technocratic; they have an important political side. They affect different sections of society differently and there are bound to be losers and winners from these decisions. To resolve these conflicts, forums like Parliament and Cabinet exist where all stakeholders present their views and decisions are taken through mutual consultation. Any attempt to implement economic decisions in isolation without taking into account their political side results in a complete fiasco, which is evident from the case study of the Kalabagh Dam in Pakistan. Similarly, the philosophies of trickle-down economics and social welfare for instance, are not purely technocratic policies. Both of these sets of policies present two polarising schools of thought dealing with the question of government intervention in the economy. Hence, a political consensus between different stakeholders is required for the implementation of these economic ideas.

In the realm of academia, famous economists Daron Acemoglu and James Robinson have supported the thesis of politics being the primary determinant of a nation's success in their famous magnum opus, *Why Nations Fail: The Origins of Power, Prosperity, and Poverty*. The core idea of the book was that political institutions are a precursor to inclusive economic institutions. The politics of colonialism destroyed the indigenous institutions of many developing countries and replaced them with extractive economic institutions to benefit the colonisers. There is a plethora of examples from different time periods of history to prove the thesis. In the United States of America, for instance, the success of the New Deal would not have been possible without the vibrant and dynamic political leadership of Franklin D. Roosevelt. The Great Depression of the 1930s was the result of excessive deregulation of the stock market. Roosevelt built a cross-party coalition, known as the New Deal Coalition, to increase the role of the federal government in managing the economy and regulating private business. He transformed the American economy into the largest economy of the world. Furthermore, the history of European Nations, Britain, France, and Germany, which were involved in many wars throughout history due to strained political relations, meant that the economic potential of the region was never fully realised. Learning from their mistakes, the European Countries forged strong political ties after WW2, which led to the formation of the European Union. The European Union is now the largest and most successful model of regional integration in today's world, and its existence only became possible because of the normalisation of global politics.

Nowhere is all this more relevant than in Pakistan. The political instability coupled with political polarisation and weak institutions are the major reasons behind the lack of economic progress. This has become painfully evident from the political hullabaloo over the past few years. The principle of the rule of law is still operational to only protect the interests of the ruling elite. The state institutions, particularly military, bureaucracy, and the various organs of government are still operating on the mantra of extractivism due to which the country is on the brink. In order to fully utilise the potential, there is a dire need to first stabilise the political system. All other things are downstream that.

The sum and substance of the discussion is that politics, not the economy, is the key to success. The success of economic policies is solemnly dependent on the political stability of any country. The history of successful nations testifies to this assertion. The emergence of Malaysia as an Asian Tiger, the transition of Singapore from the third world to the first world, the emergence of the USA as a superpower after the Great Depression, and the formation of the European Union – all these were made possible due to the consistent and visionary policies of the political leaders of these countries. Pakistan can also take lessons. Hence, politics is truly the 'art of the possible', and it is only through the route of politics that the success of a nation can be guaranteed.

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