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THE POLITICAL ECONOMY OF PAKISTAN'S STRATEGIC POLICIES

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Abstract

Pakistan's economic conditions, which determine its foreign policy alliances and security imperatives, greatly influence its strategic policymaking. This article critically explores the relationship between the State's economic circumstances and its strategic policymaking by evaluating how international financial institutions (IFIs) and global alliances have shaped Pakistan's economic and national security policies relatively. Pakistan's capacity to make independent strategic decisions is constrained by its economic shortcomings, specifically those marked by budget deficits, debt dependence, and reliance on foreign funding. Defence financing and entire financial oversight are significantly affected by economic restructuring programs, budget cuts, and policy constraints, most of the time, that have been a consequence of financial institutions like the World Bank and the International Monetary Fund (IMF) policies. Due to this, Pakistan's diplomatic mobility is affected by a specific set of patterns of reliance on international associations. These connections often function as diplomatic restrictions and monetary essentials relatively. This research paper will highlight how Pakistan's ongoing economic instability leads to reflexive strategic decisions, frequently valuing compact financial relief over a country's sustainability. Relying too much on financial institutions and economic partnerships with other countries can weaken a nation's independence and decision-making power, even though engaging in global trade and finance is essential. Pakistan can enhance its economic growth and decision-making by adopting a balanced approach to diversifying regional trade, handling debt wisely, and increasing domestic revenue. Finding the right direction between financial stability and strategic flexibility is crucial to maintaining national security and steady growth.

Keywords: *political economy, economic constraints, strategic policymaking, international financial institutions, debt dependency, foreign aid, Pakistan, and geopolitical alliances.*

1. Introduction

Political economy combines political and economic processes that shape national strategy, policy decisions, and governance. It outlines a state's international and domestic policies by examining the interaction of its political power, financial resources, and institutional frameworks. As the political economy method suggests, governments must balance security imperatives, growth, and economic stability when developing strategic policy (Akhtar, A., 2018b).

Pakistan's strategic policymaking process has been deeply affected by Economic limitations, foreign dependencies, and security imperatives. Given its geopolitical location—bordering Afghanistan, China, Iran, and India—Pakistan plays a significant role in regional politics (Ahmed, V. 2017). However, its strategic direction has been influenced by economic flaws, a reliance on foreign aid, and pressing security issues, including military expenditures and counterterrorism efforts. Understanding the political economy that underlies Pakistan's strategies is essential to fully grasp the impact of economic pressures and security issues on governance and foreign relations (Taha, S. M. 2012).

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Strategic considerations have always influenced Pakistan's economic decisions. When we talk about a nation's financial health, we cannot just look at its numbers; we also need to consider its place in global politics, the alliances it makes, and the security issues it raises. Pakistan's foreign policy decisions and national security plans have been significantly shaped by fiscal deficits, mounting external debt, and economic uncertainty. Financial restrictions have often caused Pakistan to reconsider its tactical goals, unlike economically powerful nations that establish trends worldwide. At the same time, the various NSP components appear to be at odds with one another in their efforts to direct Pakistan's strategic and security strategy. First, regional economics seems to be given more attention than the domestic economy (Ali, S. 2023). According to the policy, CPEC is a prime example of the regional connectivity paradigm, "giving impetus to Pakistan's financial sector that has the potential for rapid domestic growth." It is uncertain, nevertheless, if CPEC has resulted in domestic growth and prosperity. Pakistani companies have said they are being unfairly denied chances to work on CPEC phase-one projects compared to Chinese state-owned companies. Assessing whether regional conjunction initiatives foster apprenticeships, advancement, and research while assuring information and technology transfer would be more critical than ever. The statement "Nation's military strength contingent upon fiscal stability" by Paul Kennedy clearly illustrates the connection between the economy and security. The fact that national security is always entirely financed by the people makes defence a unique phenomenon (Ali, S. 2023). In economies with limited resources, like Pakistan, it is crucial that defence and security spending never outpace development; instead, it should support the latter.

Development equates to economic, social, and political advancement, and security cannot exist without it. A decent level of living is what it signifies, and what is reasonable in this context necessitates constant redefining. Pakistan's ongoing economic problems result from governmental mismanagement and a lack of resolve to address them long-term, even though the massive defence overlay cannot be isolated from the problem. Considering physical control of territories as the primary power source and national interest, geopolitics focuses on political power associated with geographic space (Safdar, M. 2021). The idea is frequently explained as projecting a country's power beyond its borders. On the other hand, geo-economics refers to the pursuit of national objectives through international alliances and economic ties. Governments use economic instruments in a given geographic area to accomplish strategic objectives and protect and promote national interests. Geo-economics and geopolitics are similar in using economic tools to achieve statecraft. Proponents of geo-economics as an alternative type of power politics, like Scholvin and Wigell, see it as a practical and legitimate tool for pursuing policy goals through trade, incentives, cooperation, competition, economic sanctions, etc. (Engerman, S. L., & Sokoloff, K. L. 2008). States now see geo-economics as a more profitable and advantageous way to accomplish national security goals.

Since gaining independence, Pakistan has had to manage an uncertain economic path and depend on foreign loans, aid, and strategic alliances to keep its economy intact. Such economic reliance has come at a price, though, generally impacting the country's political and strategic variants, which are driven more by external factors than internal ones (Alavi, Hamza, 1972). This article examines the impact of Pakistan's economic vulnerabilities on its strategic policymaking, focusing on the international financial system, foreign aid, and diplomatic obligations.

1.1 A Look Back: The Economy-Security Connection

We must go back to the beginning to comprehend why Pakistan makes its strategic choices now. Pakistan had a difficult time after gaining independence in 1947. Following the division of British India, the newly created nation was heavily dependent on agriculture, had a poor

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industrial base, and had little money. Although Pakistan is home to more than 30% of the population, it only receives 17.5% of British India's financial reserves (Akhtar, Aasim S. 2018b). Due to its inability to meet its economic demands, the nation was forced to turn to international forces for financial support.

1.2 The Early Years: Seeking Stability (1947-1960s)

Pakistan had to overcome the difficulty of establishing a stable economy in its early years while using few resources. Unlike India, which had infrastructure and businesses that were already well-developed, Pakistan had to start from scratch. To receive financial and military assistance, Pakistan aligned itself with Western countries, especially the United States, due to the urgency of stabilizing the economy (Grare, Frederic, 2009).

It became a close friend of the U.S. during the Cold War, joining groups like SEATO (Southeast Asia Treaty Organisation) and CENTO (Central Treaty Organisation). Both military and economic gains resulted from these relationships; Pakistan was assisted in expanding its defence industry and infrastructure. Being so reliant on foreign aid meant that Pakistan's tactical decisions had often been affected by the regional interests of its closest partners (Khan, Danish, 2021). As the world's goals changed, so did the money flow, leaving Pakistan open to economic instability.

1.3 The 1970s and 1980s: Crisis and Opportunity

Pakistan's economic and military past changed drastically after the war with India in 1971, which resulted in the creation of Bangladesh as well. A severe financial crisis resulted from the loss of East Pakistan, which necessitated the loss of a substantial portion of the country's economy. In reaction, Prime Minister Zulfikar Ali Bhutto put in place socialist economic policies that took over businesses and gave the government more power over the economy. To make the country more stable, these policies failed to produce long-term economic growth, which made money problems worse (Moore, Mick, 2011).

However, Pakistan's economic and geopolitical environment changed in the 1980s. In 1979, Pakistan was situated in a critical position in global geopolitics as a result of the Soviet invasion of Afghanistan. Billions of dollars were sent to Pakistan by the United States, Saudi Arabia, and other allies to aid the Afghan Mujahideen who were battling Soviet forces. This unexpected influx of foreign aid momentarily strengthened Pakistan's economy by bolstering the military and financing infrastructure projects. However, Pakistan's economy became dependent on money from outside sources, making it vulnerable to changes in world politics (Khan, Tabinda M. 2020).

1.4 The 1990s: Sanctions and Struggles

When the Cold War ended and Soviet troops left Afghanistan, it had a significant effect on Pakistan's economy. Since the U.S. no longer needed Pakistan as a leading trading partner, Pakistan received relatively less foreign assistance. The situation was further exacerbated by the imposition of economic sanctions on Pakistan in response to its nuclear tests in 1998. Poor financial management and these sanctions resulted in rising debt, large budget deficits, and political instability (Chang, Ha-Joon, 2003).

Pakistan borrowed money from international banks like the International Monetary Fund (IMF) and the World Bank to stay intact. Even though these loans helped for a short time, they came with tight terms that required the economy to be reformed, austerity measures to be implemented, and structural changes to be made. These circumstances frequently produced internal economic difficulties that led to joblessness, high prices, and discontent among individuals.

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1.5 Post-9/11 Era: A New Wave of Foreign Dependence

Pakistan was once again in a critical geopolitical situation after the 9/11 attacks in 2001. Pakistan accepted billions of dollars in military and economic assistance in return for its cooperation as a frontline ally in the U.S.-led War on Terror. The foreign money helped the economy stay stable for a while, but it also meant that Pakistan had to make strategic choices based on pressures from other countries. While U.S. financial aid was essential for economic stability, the War on Terror also brought about domestic security issues, such as the emergence of extremism and heightened militant activity within Pakistan. Thus, the nation had to strike a tricky balance (Khan, Tabinda M. 2020). During this time, Pakistan was compelled to put short-term financial benefits ahead of long-term strategic independence, highlighting the impact of economic restrictions on national security decisions.

1.6 The 2010s to Today: Economic Struggles and Strategic Choices

Over the last ten years, Pakistan's economy has been beset by growing external debt, trade imbalances, and fiscal deficits. Pakistan has increasingly turned to China for financial help as U.S. aid has steadily decreased. Much-needed investment in industry, energy, and highways has come from the China-Pakistan Economic Corridor (CPEC), a vast infrastructure project under China's Belt and Road Initiative. Concerns regarding the sustainability of Pakistan's long-term debt have been raised, making the country more financially dependent on China (Haq, Mifrah, 2020). In the meantime, Pakistan has had to frequently apply for IMF rescue packages to keep its economy from collapsing. Public and political unhappiness has often resulted from the terms of these loans, which include raising taxes, decreasing government spending, and lowering subsidies (Jalal, Ayesha, 1995). Pakistan is forced to manage a complicated network of diplomatic ties while maintaining its financial stability because of its ongoing economic weakness, which continues to influence its foreign policy.

2. RESEARCH METHODOLOGY

This research applies a qualitative approach by going through the following:

- ✓ **Historical Analysis**: Reviewing Pakistan's economic policies and their impact on strategic decisions.
- ✓ **Case Studies**: Examining specific instances where economic constraints influenced foreign policy, such as IMF bailouts and China-Pakistan Economic Corridor (CPEC).
- ✓ **Policy Review**: Analyzing economic and security policies from government sources and IFI reports.

3. RESEARCH QUESTIONS

1. How do economic limitations impact Pakistan's national security and foreign policy plans?
2. How does Pakistan's reliance on international financial institutions and partners affect its ability to make strategic decisions?

4. RESEARCH OBJECTIVES

1. To examine the influence of financial dependency and budgetary limitations on Pakistan's foreign policy and security priorities.
2. To investigate alternative economic policies that augment Pakistan's financial autonomy and strategic adaptability.

5. LITERATURE REVIEW

Academics, decision-makers, and commentators have extensively studied the connection between Pakistan's strategic policymaking and economic vulnerabilities. Most studies consistently highlight how Pakistan's economic vulnerability—which is typified by its enormous external debt, dependence on international financial institutions (IFIs), and ongoing budget deficits—significantly impacts its foreign policy and security priorities (Rizvi, Hasan-Askari, 2018). Some researchers assert that Pakistan cannot make autonomous decisions about strategy because of its monetary system. They claim Pakistan must associate itself with funding sources like the International Monetary Fund (IMF), the World Bank, the US, China, and the Gulf states. This part looks at the current research on the topic and rates it by focusing on some main ideas, such as the role of international financial institutions (IFIs), the link between economics and security, being dependent on debt, and other economic paths that can lead to more strategic independence (Haq, Mifrah. 2020).

Good governance is defined as efficiently enforcing property rights and the rule of law, combating corruption, and enhancing accountability under capitalist socioeconomic interactions (Khan, 2017). Whether wealth causes good governance or good governance causes the intellectual mainstream to question prosperity. It is difficult to determine, if not impossible, which way economic progress and effective governance are causally related. Furthermore, comparable policy sets that could be considered a subset of "excellent" governance can produce qualitatively different socioeconomic results depending on the situation. As Khan demonstrates through empirical case studies, the impact of so-called "good" governance is overdetermined by the actual distribution of power and resources (both economic and political). Therefore, the claim that the lack of "good" administration maintains military predominance is not just ahistorical but also theoretically incorrect.

According to Hussain (1999), Pakistan is compelled to maintain diplomatic relations even when its strategic goals differ because it relies on outside finance. For example, he says Pakistan's relationship with the U.S. is one in which policy choices are often based on financial aid. Pakistan was given billions of dollars in both economic and military assistance during the War on Terror, but limitations related to the funding hampered its global and internal security measures.

In the same way, Siddiqui (2022) argues that Pakistan's strategic connection with China, using the China-Pakistan Economic Corridor (CPEC), is not merely an option in the context of global politics but a financial imperative. Although CPEC boosts capital and expansion of infrastructure, it further makes Pakistan financially reliant on China, thus making it challenging for it to maintain an even-balanced foreign policy with Western nations and neighboring nations in this region, particularly India.

Understanding the nature of Pakistan's stagnating socio-political culture is the most significant factor contributing to political-economic instability and the failure to implement fundamental, much-needed economic changes. Two crucial and previously hazardous aspects of Pakistan's stagnating sociopolitical culture are as follows: The first critical aspect of the static sociopolitical feature pertains to the characteristics of the fundamental political institutions, such as political parties (Levitsky, Steven, and Lucan A. Way, 2010). Most of the political parties in Pakistan are loosely connected personality cults that choose to follow an authoritarian style of leadership and do not allow their followers to disagree with the leadership on issues. They also have an overly centralized and closed decision-making system.

Although IFI programs offer temporary financial assistance, Khan (2020) contends they frequently enforce strict economic changes limiting Pakistan's governmental options. He explains how terms like currency devaluation, state-owned firm privatization, and budget cuts have been imposed on Pakistan's fiscal policy due to successive IMF loans. Even though these policies are meant to stabilize the economy, they frequently result in higher inflation, lower social spending, and unhappiness among the masses.

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The case study approach, which uses the same interdisciplinary approach, is another option available to scholars in the international political economy to comprehend the nature of difficulties faced in a particular economy. Case studies that investigate the structural underpinnings of a state's political economy can provide insights into its structural problems.

6. THE ONGOING INSTABILITY IN POLITICS AND THE ECONOMY

The people in charge of Pakistan's government have not only failed to make any fundamental changes to the country's institutions, but they have also failed to keep things steady, which is necessary for the economy to grow healthily. Throughout its history, Pakistan has been under every kind of government, including military dictatorships, democratic and quasi-democratic regimes, single-party and multi-party systems, and more. However, their consistent policy has aligned with the previous government's policies, regardless of the sort of rule. Pakistan's new governments always try to undo the policies of the previous governments by making only minor changes that are good for the ruling party (Haq, Mifrah, 2020). The constitutionally required five-year period for any democratically chosen government is usually insufficient time to see the benefits of some fundamental reforms. Following the next election, it is highly conceivable that the political party that started the economic changes will not regain power. Consider the following scenario: What would happen to the major players in the economy, such as investors, producers, traders, consumers, etc., if the next elected government, or the political leadership that takes power, decided to undo the policies of the previous one? The solution to this question is straightforward: the main economic stakeholders would lose faith in the policymakers and the economic environment if the shifting regimes' aforementioned "policy reversal tendency" persisted (Rizvi, Hasan-Askari, 2018). The military regimes of General Ayub Khan and General Pervaiz Musharraf can be used as examples to understand this problem. They both made significant attempts to enact substantial institutional and economic reforms, even if they were intended to benefit the economy. A systems-based framework that tackles the interdependence of Pakistan's problems and lays out a course for long-term development is what the country needs. Pakistan's problems are interrelated parts of a broader system using a systems-based paradigm. Every stakeholder, including the public, academics, civil society, the court, the parliament, and the media, represents a crucial node in this system (Haq, Riaz, 2015). As demonstrated in 2024, every malfunction in a single node invariably causes the entire system to malfunction.

Judicial overreach weakened executive authority, and Parliament's incapacity to enact laws effectively stalled policy. Bureaucratic inefficiencies hindered reforms, and media sensationalism fanned civil unrest.

Reforming the system must be the foundation of economic revolution. A fragmented and crisis-driven approach must give way to an integrated ecosystem that emphasizes sustainability, innovation, and inclusivity in Pakistan. While the tax base must be expanded to lower fiscal deficits and be allocated to developing digital infrastructure and human capital, regulatory simplification is necessary to facilitate corporate operations (Javed, Sajid Amin, and Waqas Imran, 2021). It is imperative to rejuvenate the manufacturing sector in Pakistan, as targeted incentives and technological breakthroughs might promote export-led growth and encourage Pakistan's integration into the worldwide value chains.

Stability in politics is essential to systemic change. Building consensus on necessary reforms requires a national conversation involving civil society and all political parties. Governance must be centered on long-term goals that cut across party lines, and transparent electoral

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procedures are required. The prime minister and cabinet should set the example for transparency and accountability (Taha, S. M. 2012).

The impact of Pakistan's growing debt on its defence expenditures is examined by Khan and Mushtaq (2017). According to them, Pakistan often has to give up on long-term investments in security because it does not have enough money and has to depend on military aid from other countries. This makes things less safe, especially when countries that give money to security help put conditions in place. According to them, the U.S. has cut off military aid to Pakistan because of policy differences, showing the dangers of relying too much on foreign allies for money.

Javed (2021) offers a different perspective. He says that debt is a problem, but can also be used tactically. To manage its debt more effectively, he advises Pakistan to diversify its sources of borrowing and bargain with lenders for better terms. In China's economic diplomacy, financial deals are set up to protect national interests rather than make countries dependent on each other.

7. THEORETICAL FRAMEWORK

Understanding the relationship between financial dependency, foreign policy, and national security demands a sound theoretical foundation to evaluate Pakistan's economic restrictions and strategic policymaking. This study is based on two main theories:

Dependency theory explains how Pakistan's strategic autonomy is constrained by its reliance on foreign aid and international financial institutions (IFIs).

Realism in International Relations highlights how, due to economic vulnerabilities, authorities are compelled to form strategic alliances based on security and survival rather than autonomous policymaking.

Our study uses these two models to give a complete picture of how Pakistan's economic problems affect its security and foreign policy.

Pakistan has consistently failed to implement progressive and fundamental economic changes to regularly address the Pakistani economy's basic problems (Sherani, Sakib, 2019). The political leadership, which includes the legislature, executive, and judiciary, is mainly responsible for starting and implementing fundamental economic reforms. However, how the public sees and supports these reforms is also a big part of making them last.

8. FINDINGS AND DISCUSSIONS

The inability to carry out some fundamental institutional reforms.

There was no confusion about the nature and scope of the much-needed institutional reforms in Pakistan, but introducing and implementing them constantly faces serious problems. The minimal necessary institutional improvements might be divided into two main groups. Long-term economic stability reforms include lowering the budget deficit by increasing taxes, reorganizing state resources, shutting down state businesses, controlling development spending, managing supply-side issues like energy, liquidity, and infrastructure, keeping the exchange rate stable, and dealing with inflation-related problems.

There is a complicated link between Pakistan's economic problems and the way it makes strategic decisions. Financial ties, security needs, and foreign connections shape this link. Pakistan's ability to make independent foreign policy and security choices has been greatly limited by its reliance on outside financial aid, especially from the IMF, China, and Gulf states. Economic weaknesses affecting defence spending and national security are budget deficits and heavy debt loads (Javed, Sajid Amin, and Waqas Imran, 2021).

There are primarily two kinds of much-needed reforms. The initial type is a long-term structural reform in the fundamental policy values for the central state institutions. The second is fundamental reforms in the governance structure at all levels of the government,

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including reforms in the basic taxation and terror regimes. The third is the reform of the state enterprise. The fourth is setting up and empowering institutions that foster and promote market competition. The fifth is putting in place policies to stop institutional preference. The sixth is developing and promoting institutions that produce skilled human capital, particularly in science and technology.

Since the political leadership's primary goal was to secure dollar liquidity for resolving or preventing balance of payments issues, most of the time, institutional reforms were implemented at the request of international funding institutions (IFIs), such as the World Bank, the IMF, etc. Still, they did not have the support or enthusiasm of the political leadership. Pakistan has become dependent on the IFIs' foreign indebtedness resources due to the failure to implement the urgently needed structural changes despite their persistent demands (Khan, Mushtaq, 2017). Most governments have consistently refrained from enacting the stringent policy measures recommended by the IFIs, particularly the IMF, out of concern that they would lose support from the people.

Pakistan's political culture is rooted in colonial governance systems and customs, which are reflected in how the military and civilians work together. The British colonial government was based on strong tools of coercion that were used to make people do what they were told, like paying taxes. Pakistan later adopted the same colonial constitutional framework, namely the Government of India Act 1935, which was based on the British colonial state structure's robust system of political control, which was institutionally enforced through the army, bureaucracy, and feudal land lordship. Under the terms of the Government of India Act 1935, the Army Chief was a legal member of the upper house of the legislature and the Viceroy's Executive Committee, ranking second only to the Viceroy under the British colonial administration (Hussain, Ishrat, 2004). As Pakistan's political and economic culture changed after independence, the Pakistan Army became the government's most disciplined, strong, and influential part. It has always played a significant role in the country's politics and economy.

In determining the efficacy of any democratic polity, the institutions of administration are fundamental, as their strength and function can either positively enable or, at worst, hinder the preconditions necessary for democratisation. An effective state supporting the rule of law is needed to protect the fundamental civil and political rights at the heart of democracy. Strong states can improve autocratic security (Khan, Mahmood H. 1997). Some state organisations keep the executive branch from having too much power and uphold the democratic rule of law. On the other hand, others work to silence political opponents and keep one party in power. Competing autocratic regimes have kept their leaders in power as long as they firmly grip the state's organisations and can put down any resistance movements. The overwhelming concentration of power in the state's dominant institutions is further exacerbated by the glaringly low levels of formal institution enforcement (such as state constitutions) and governance institutions' instability and weakness (such as the judiciary, political parties, and civil society).

Regarding Beijing's "One Belt, One Road" strategy, the Pakistan-China Economic Corridor is one of the key initiatives. In 2015, Chinese President Chee Jee Ping visited Islamabad and discussed this critical project with Pakistani Prime Minister Nawaz Sharif. He said it would be a "game-changer" for the Pakistani economy. Most importantly, we all know that China is Pakistan's only true strategic partner and the only country that helped Pakistan out when it needed it most. Pakistan suffered greatly from terrorism at the time, which hurt our economy. As a result, our nation hardly had any FDA (foreign direct investment); no one wanted to take a chance there. China gave Pakistan life by providing this fantastic project, stabilizing our economy. This initiative will further deepen the commercial linkages between China and

Pakistan, which were already formed through the Silk Road, as we learnt from historical accounts.

Additionally, CPEC is a significant opportunity for regional interconnectedness and interdependence. In particular, China has made substantial financial investments in Iran, and Afghanistan and Saudi Arabia have expressed a strong desire to participate in the project. Turkey and Russia also hope to benefit from its success, boosting the project's reputation internationally. Pakistan plans to create unique economic zones to address its electricity problems (Khan, Tabinda M. 2020). China intends to use the CPEC to ship its goods to Africa and West Asia. Since China is known to have issues with its maritime routes, particularly its blockade of the Malacca Strait, which is known as the "Malacca Dilemma," China urgently needs Pakistan to access the wealthier Central Asian states. We all know Pakistan's economy is not doing well and needs foreign direct investment badly. That is why China wants to build a strong economic relationship with Pakistan. China wants to invest in Pakistan, especially in the infrastructure and resource sectors, which will help Pakistan's economy (Siddiqui, M. B., M. Khokhar, and T. R. Makhdoom, 2023).

A unified vision, political stability, continuity of programs, peace and security, the rule of law, and social fairness are essential preconditions for economic success, according to Pakistan's Vision 2025. Pakistan also requires a comprehensive policy framework to transition to geo-economics and achieve sustainable financial improvement successfully. Human and social capital, sustained, Indigenous, and inclusive growth, democratic governance, institutional reform and modernization of the public sector, energy, water, and food security, private industry and entrepreneurship-led development, a competitive knowledge economy through value addition, modernized transport infrastructure, and regional connectivity are the seven pillars that the Ministry of Planning, Development, and Reform has identified as being able to ensure sustainable economy The effective use of tactics for this framework is the most critical component of economic advancement.

9. CONCLUSION

The results of this study conclusively show that Pakistan's strategic decisions are greatly affected by its financial shortcomings. Pakistan's economic dependency on IFIs, influential foreign nations, and non-state investment has restricted its potential for entrepreneurial decisions, influencing everything from national security to global relations. To address the fundamental problems the Pakistani economy faces regularly, Pakistan has failed to successfully implement some progressive and fundamental economic changes. There is also truth that the political leadership, which controls the state's central policy-making and implementation institutions—the legislature, the executive, and the judiciary—is mainly responsible for starting and implementing fundamental economic reforms. However, there is also truth in how the public sees these reforms, and the type of support they receive is also a significant factor in their success. People in charge of Pakistan's government still do not want to make the necessary changes to how they work and how much they care about the country's people and the state's interests. This means they do not mind if the country's future generations are ruined for their small political gains and comforts. Given these facts, namely the nature of the underlying structural problems in Pakistan's political economy, it is difficult to propose any straightforward policy changes other than focusing on the need for sincere, assertive, and mature political leadership that is not only willing to admit the severe effects of the above structural issues on Pakistan's political economy, but also firmly committed to taking on the responsibility of putting the fundamental reforms into place, that is, to revamp the aforementioned fundamental concerns in Pakistan's political economy.

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Though Pakistan has to contend with global economics, leaning excessively on debts and aid from various states has damaged the country's fiscal autonomy. Pakistan's steady growth and geopolitical agility will be restrained by its prolonged financial instability in the face of more substantial domestic earnings and manufacturing, reduced dependence on financial obligations, and a safe economic strategy. Pakistan has to adopt an integrated plan focusing on its fiscal autonomy, yet retain the international relationships it needs to gain financial security and geopolitical integrity.

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