

## PAKISTAN'S POLICY EMPHASIS ON GEO-ECONOMICS

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**By virtue of its geographical location, Pakistan holds geostrategic significance on the world map. The country possesses direct access to the warm waters of the Arabian Sea. It is the shortest route to the Indian Ocean for land-locked countries in Central Asia. Pakistan offers pivotal geo-economic location, regional connectivity, a huge consumer market with an expanding middle class, and a large segment of skilled, vibrant, and youthful population to its valued investors.<sup>1</sup>**

To take full advantage of its position, Pakistan aims to shift its focus from geo-politics to geo-economics based on enhancing connectivity and paving the path for all-encompassing development. The reflection of the envisioned economic policy of inclusive growth and development can be witnessed in Pakistan's civil, military leadership's initiatives. The policy makers in Islamabad have realised that to take maximum benefit from its shift policy it must take advantage from the relationships it has cultivated with other nations throughout its diplomatic history, and even further expand on them.<sup>2</sup>

Pakistan has untapped potential of diversifying its economy and becoming more integrated with the global economy. A relationship built on the foundations of economic cooperation and integration

<sup>1</sup> Dr Zia Ul Haque Shamsi, "An Effective Diplomomics is Need of the Hour," Daily Times, November 10, 2021, <https://dailytimes.com.pk/839559/an-effective-diplomomics-is-need-of-the-hour/>

<sup>2</sup> Andrew Korybko, "Pakistan's New Geo-Economic Grand Strategy is Multi-Alignment at Its Finest," RIAC, July 20, 2021, <https://russiancouncil.ru/en/blogs/andrew-korybko/pakistans-new-geo-economic-grand-strategy-is-multialignment-at-its-fine/>

can serve as a much more robust and sustainable basis for bilateral engagement. Therefore, Pakistan must begin prioritising and marketing its economic potential instead of banking on its geostrategic location alone. However, to convince the world to view it from a new lens, the country will need to give a concrete direction to this new strand of thought. The state needs to adopt a more attractive profile worldwide to attract investors and increase trade volume. The most fundamental is domestic economic strength. A strong economy and trading power are essential attributes for this.<sup>3</sup>

The scope of Pakistan's geo-economic policy should encompass the all-key international economic interactions of a state including, but not limited to, policy decisions designed to influence exports, imports, investments, lending, aid, free trade agreements, etc. In the context of Pakistan, this policy entails specific things leading to specific agendas: enhancing Pakistan's exports, and increasing its share in the international market, both in sectors of its comparative advantage and nascent fields, with promising prospects of growth.<sup>4</sup>

In a fast-changing global and regional environment, economic security is key to human security and without human security, ensuring national security would be extremely challenging. Therefore, to strengthen Pakistan's economic security, it is necessary that an effective economic diplomacy strategy is formulated and pursued relentlessly. However, for its geo-economics foray to be truly effective, Pakistan's best bet is to become a regional bridge of connectivity that is firmly hinged on transnational economic pursuits.<sup>5</sup>

### **Objectives of geo-economic policy**

- Engage the private sector by integrating manufacturing and industrial base into the global value chain,
- Attract FDI through greater ease of doing business,
- Forge partnerships in strategic sectors of the economy,
- Overcome economic headwinds by helping create the fiscal space needed for long-term policy adjustments,
- Work through the lawful migration corridors by securing and expanding employment opportunities for Pakistanis abroad, and

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<sup>3</sup> Amna Malik, "Pakistan's Geo-Economic Vision," *Melange Magazine*, September 5, 2021, <https://www.melangemagazine.biz/pakistans-geo-economic-vision/>

<sup>4</sup> Kamran Yousaf, "Transform Pakistan from geostrategic to geo-economic hub'," *Tribune*, February 13, 2021, <https://tribune.com.pk/story/2283795/transform-pakistan-from-geostrategic-to-geo-economic-hub>

<sup>5</sup> Dr Maleeha Lodhi, "Two visions of an unsettled world," *Arab News*, July 13, 2021, <https://www.arabnews.pk/node/1893486>

- Ensure seamless inflow of remittances by facilitating affordable and expeditious banking channels.

Sustained economic growth merged with economic integration within the country and with its friendly neighbours is the surest path that will uplift Pakistan, contribute toward the well-being of its people, and enhance its defence capabilities. A weak economy limits options in foreign and economic policies. Global politics centres largely on the economy and influences relations between countries. It is in Pakistan's vital interest to make the economy the centrepiece of its foreign and national policy. The key for a country like Pakistan is to deal simultaneously with both the urgent and important: to navigate the geopolitical challenges that continue to dominate a volatile region while strengthening its economy and developing the capacity for a geo-economics policy.<sup>6</sup>

The shift in policy direction is reflective of the fact that policy makers in Pakistan have the realization that in order to uplift its economy and, concurrently enhance its global stature, it would have to offer the world something more than its geostrategic location. However, it is important that this policy direction is meaningfully implemented for the better future of Pakistan.

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<sup>6</sup> Afshan Subohi, "A geo-economic cocktail," Dawn, July 5, 2021, <https://www.dawn.com/news/1633165/a-geo-economic-cocktail>