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## Globalization and its Socio-Economic Impact on Pakistan

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Faria Zeeshan\*

Muhammad Ali Baig<sup>†</sup>

### Abstract

*The study involves a brief yet insightful discussion on the concept of globalization, covering different aspects of globalization. The focal point is to consider that globalization is not a new phenomenon. It further explains that globalization has taken new dimensions along with the impact that it has on the economy and society of Pakistan. The impact of globalization on every economy differs depending on its social, political and economic dimensions. The paper emphasizes on the fact that although Pakistan achieved certain gains from globalization, but the adverse effects outweighs the positive effects in certain areas. It clearly mentions how globalization has resulted in a degradation of moral norms and values of Pakistani society and how has globalization affected economic growth in Pakistan with a major focus has on trade. It concludes with how these challenges can be overcome by holding governments in charge of effective policy making.*

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### Introduction

The term globalization covers various aspects such as economic, social, cultural and political. The world did not become global overnight in fact globalization has a long history which can be dated back far before modern times. There is no denying that in early ages, globalization had already taken place when travellers and traders were involved in voyaging and land-bound transport. However, it is also assumed that the beginning of globalization cannot be detected before the epoch of high middle ages. The Mongolian empire in the 13<sup>th</sup> century for the first time opened themselves to exchange goods and ideas, starting from the yellow sea to Poland. This resulted in connecting orthodox Christendom, China and the Islamic world.

As every economist, political scientist and sociologist tend to have different take on globalization and its history, the major incipient of globalization is assumed to occur after the mergence and transformation of global economies. The tendency of globalization existed even back in 19<sup>th</sup> century. The process of global economic integration is assumed by some economists to start after the end of World War II and the first Great Depression. Globalization is generally understood to have emerged as an outcome of the Bretton Woods Conference and Uruguay Round (2001) of General Agreement on Tariffs and Trade (GATT).

Institutions such as World Bank (WB), International Monetary Fund (IMF) and World Trade Organization (WTO) which were the outcomes of Bretton Woods Conference and Uruguay Round have all played an important part in globalizing the world since 20<sup>th</sup> century. Thus, the concept of globalization is not new, however; the dimensions that it has taken now are somewhat different from the previous ones. For past hundreds of years different corporations have been involved in trade and technological advancements and have basically resulted in an increase in cross-border trade and investment. Having said this, colonial era also played a significant role in cross border trade and investment, movement of capital and labour between countries along with increased level of transportation and improved communication. The European expansion in different countries lead to colonization and building of states in the new world along with the emergence of Atlantic served as a means of trade of commodities and people across different regions and nations.

The term globalization is derived from the word “globe” which means around the globe. Globalization is the integration of different cultures and societies all over the world by exchanging their ideas, technology, knowledge and products. Globalization has become a popular notion these days which is extensively discussed among scholars, sociologists, journalists and politicians. The process of globalization is an important emergence in the world. The transformations linked to this process are seen in almost every aspect of the world as the process

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\*Researcher Based in Islamabad, Pakistan.

<sup>†</sup>Scholar, National Defence University in Islamabad, Pakistan.

marks revolutionary developments in science and technology as well as an expansion of various economic activities.

Some identify globalization with the accelerated spread of communication and technology. Others identify globalization with an increasing power of multinational enterprises. Few emphasize how globalization is playing an important part in eliminating the differences between cultures and identities. Globalization can be defined as the shift towards a more integrated and interdependent world economy. In other words, the world is moving away from self-contained national economies, towards an interdependent, integrated global system. A major part of this is increased international trade and foreign direct investment. In simple words, globalization is the free cross border movement of ideas, technology, knowledge and products amongst countries. The process of globalization is an important emergence in the world. The transformations linked to this process are seen in almost every aspect of the world as the process marks revolutionary developments in science and technology as well as an expansion of various economic activities.

### **General Overview of Pakistan's Economy**

Pakistan despite being a developing state has a significant strategic location, abundant natural resources and a reasonable human capital formation. However, political instabilities and fragmented societies can pose serious threats especially with reference to the challenges faced due to the process of globalization. In contemporary era, as globalization is picking up pace the influence of institutions rather than the state is becoming more important and no state including Pakistan can keep itself away from these influences. Every state has a different policy to react towards globalization according to its internal strength which in turn determines its external strength in other fields. The changes that globalization is bringing in different states is not easy to handle. Every society to achieve globalization must possess enough potential to do so. Pakistan underwent globalization when it liberalized its economy in 1980s at a time when the economy was going through a current account deficit since the demand of its exports were declining due to a recession in all the industrialized nations. Opening for exports, removing import duties and barriers, deregulation of institutions is some of those reforms that lead Pakistan towards globalization.

Globalization has a direct impact on Pakistan's economy, society and politics. The concept of power which once used to revolve around traditional military is not the only parameter that is determining its strength of the states these days. The major issues experienced by Pakistan during this process are political instabilities such as the problem of good governance along with other economic and social factors which are an obstacle for Pakistan to successfully achieve globalization

Pakistan operates in a mixed economy where both public and private sectors are involved in the production of goods and services, however; over the past few years the significance of private sector has increased and that of public sector has decreased. In the preview of economic sanctions that were imposed on Pakistan in 1998, the political instabilities, war with India and the 11 September crisis were not able to hamper Pakistan. The economy experienced economic growth while other Asian countries were going through recessions. Inflation rate did not fluctuate and remained stable. However, exports were declining since goods could not meet the international standards and were thus not demanded in the international market. Also, due to lack of certainty, foreign investors did not find it feasible and profitable to invest in Pakistan thus leading to a fall in Foreign Direct Investment (FDI).

### **Statistics on Economic and Social Development of Pakistan**

Pakistan continues to achieve economic growth, but macroeconomic instabilities have been a major concern for economists over the past few years. Pakistan achieved a steady increase of 0.8% in its GDP to reach 5.3% in FY17. This occurred mainly due to an improved performance of the agriculture sector in Pakistan. Low interest rates helped stimulate business. On the demand side, consumption of goods and services accounted up to 92% of the GDP. Average inflation rate for 2018 remained up to 3.8% as compared to 3.9% in 2017 which is far below the target of 6%. Similarly, due to high current account deficit the balance of payments was 4.1% in FY17. However, Pakistan experienced a significant increase in exports after facing three years of fiscal deficits, but higher imports have resulted in a trade deficit. Governments imposed certain duties on the incoming goods and services to improve the trade balance. Moreover, the exchange rate depreciated by almost 4.2% in March 2018.

In addition to this, the poverty rate decreased. Poverty at the \$1.90 international line is estimated at almost 4.9% in FY declining from 6.1% in FY13. However, in terms of human development indicators Pakistan is ranked amongst the lowest performers in South Asia region particularly in education and stunting. Although the net enrolment rate in schools has increased but it's still far below those of other South Asian countries. Same is the case with infant mortality rates. Gender disparities persist particularly in education, health and all economic sectors of Pakistan. Food and nutrition is one of the biggest challenges to overcome as 44% of children are still deprived of healthy food. Only 3% of GDP is spent on education, health and nutrition and this can only be increased if government receives higher revenues. The tax to GDP ratio is 12.4% which is lowest in the world. Providing adequate services is the responsibility of the governments and there has to be a strategy in place both at central and provincial level to improve the quality of services.

### **Adverse Impacts of Globalization on the Society of Pakistan**

Change is a natural phenomenon and every society must change to adopt the changing emerging new world order. In twentieth century, the source of societal changes is due to globalization which has brought about a significant change in how different cultures of different societies come into a close contact and pose a serious challenge to the traditional norms and values of this society. It plays an important role in dismantling of trade barriers and exchange of goods, services, technology and culture. Socio-culture contact among people from all over the world has been increasing. In a world of globalization where there are no national borders, economies are merged, cultures exchanged, and norms and values transferred cannot possibly maintain a separate culture distinct from other societies around the globe.

Social changes with respect to Pakistan have different impact. Pakistan has experienced a rapid transition since the time of its creation and this process has continued so far. The major transformations faced were after the cold war when new macroeconomic policies were introduced to liberalize trade across borders and new scientific advancements were seen specifically in communication and information technology. These changes affected both the economy of Pakistan along with the lifestyle of the people. Through technological means the society of Pakistan is exposed to the western world which is seen as more modern and impressive. The needs of the people are changing rapidly according to these new transformations such as aspirations of migrating to western societies, frequent use of English as a language and emergence of nuclear families. These societal conditions show that the hybridization of culture is westernizing this society to a large extent.

As the forces of globalization are transforming every sphere of life it has its impact on cultures all over the world. Culture is a socially constructed term which defines an individual's identity which is given to them by the state. Ethnicity, race, language, customs, norms and values are all the symbols of self-identification. Cultural globalization is commonly understood as homogenization and a very popular version of homogenization is westernization where global processes play an important role in imposing western culture upon us. Such western influence includes profit centred businesses, capitalism and mainly individualism which is at rise these days.

Socio-cultural interactions between people from all over the world are rising and these interactions are not limited by any boundaries, Social change in terms of Pakistan has an entirely different meaning and impact. Pakistan has undergone some of the major transformations since the time of its creation. The extensive exposure of the western world is most importantly through the media acts as an inspiration for people to become modern. Less developed countries like Pakistan aspire for the same living standard because of the high quality of life which they get to see in other western countries. Such western influence is resulting in a weakening of the national identities particularly of Asian countries. Frequent use of English as in almost all levels of education, western food chains, increase trend towards single parent families and nuclear families are one of the few examples which shows how Pakistani society is undergoing transformations within a short span of time.

As long as the signs of modernization are concerned they are mainly focused on industrial development which is not as such visible to Pakistan rather what's more visible is the western way of life which is being followed by majority of people in Pakistan these days. Local needs and wants are shaped by western influences.

A. Cvetkovich and D. Kelleher (2000) identify the situation of identity crisis emerging in the world societies "Today, under the pressure of the dialectics of the global and the local, identity has global, national, regional and local components, as well as the specificities of gender, race, class and sexuality...This situation is highly

contradictory with reassertions of traditional modes of identity in response to globalization and a contradictory mélange of hybrid identities-and no doubt significant identity crisis-all over the world.” (P.135).

All societies cannot be equal in power and influence and it is the status of a society that determines how hybridization and its effect are different on developed societies. It is the economy of a country which plays an important part in determining the socio-economic condition of every state and society all over the world. Globalization is resulting in an increase of the power of English as a language in our society. In Pakistan, jobs are mainly given to those people who have a good command over the English language. All these jobs are controlled by multinational companies which are working under the influence of foreign companies. Emphasis on English language is resulting in weakening of our regional and local languages. All English medium schools are preferred over public schools where Urdu is still widely in use. Dominance of any other’s nation language will always reflect the superiority of foreign that nation. It destroys the national identity and blurs the objective of a unified nation.

Projection of developed societies as model societies by Pakistani media is destroying the image of this society since developed societies are best portrayed for individual rights, freedom of speech and best political system. Consumer choices in terms of goods and services, in short, living standards reflect the lifestyle which is being followed in other developed nations. Traditional norms and values are rejected to keep up with the ever-increasing pace of globalization. Developed nations have become a dream world and every member of the society aspires to be a part of it.

Global multinational corporations are spreading and are causing a widespread increase in materialism amongst people. One of the major social trends followed by the young generation is materialism. Individualism rather than collectivism is rising since people tend to be more focused on their personal motives and not those of the society. Young generations are mostly the target in fact victims of these large multinational corporations which use media as a tool to attract people towards global brands. This shows how consumption patterns are influenced by foreign nations.

Huge sums of money are being spent on luxuries which are making people a victim of complexities and inferiority. This is creating a cultural gap in society. The elite class becomes more westernized as they can easily afford a luxurious living style. Those who belong from a poor background tend to have different attitudes and consumption patterns however in trying to keep up with the current ongoing fashion they indulge in deviant activities such as bribery and robbery. Place of origin is same, but standards of living is different which leads to weak ties amongst people and results in disharmony in the society.

Every society has its own norms and values, has developed over time under influences of history, religion, civilizations and other various factors. With changing times every society adapts to changes. Speaking of Pakistani society somewhere it is receptive while in other cases rigid. For instance, improvements in education system is welcomed positively by our society however marriage systems tend to remain almost the same where arranged marriages are still preferred over love marriages especially in rural areas where any woman looking up to love marriage is seen as deviant and treated with hatred and social discrimination. The traditional norms and values are in clash with western values where few sections of society adopt the changes while others still don’t. When a society absorbs too much of western influence the members feel lost and confused. Few prefer foreign cultural attributes while others prioritize local culture more. A feeling of being dislocated prevails.

Kinvall (2001) gives reason that “Principles at a time when modern society is making increasing demands on individuals as religion-like nationalism supplies Existential answers to individuals’ quest for security providing order from the chaos and uncertainty in the world.”(P.89)

Low literacy level is the basic tool aiding westernization where people confuse modernity with westernization. This process of globalization puts extra burden on nation-states to obtain standardization in all fields.

### **Positive Impact of Globalization on Pakistan**

However, globalization has widened the horizons of knowledge to the farthest stretch. It has helped Pakistan in various ways such as modern technological innovations like computers, mobile phones, television etc. Internet access is the major transformation which has made people aware of the innovations and advancements that are being taken all around the world in different countries. Media’s contribution in this process has been most

significant so far since media is a source of putting around all the ongoing issues of every nation effectively by reaching a large number of people. Every member of the population is well aware of their rights and responds promptly to any changes that occur.

It also has a positive impact on the education system in Pakistan. Research has become very easy as people can access to all the relevant information that they need either in the form of books, articles, research papers and blogs. Knowledge can be shared via the internet and every individual considers education as an essential part of their lives and globalization has helped people learn and keep updated to what's going on around the globe.

Those who belong from a middle class have benefitted more than others because they are receiving merit-based admissions in universities all around the globe and this in turn increases the human capital formation which is one of the key reason in driving any economy towards economic development.

Globalization along with economic integration results in more opportunities and costs for Pakistan. Increased foreign direct investment and transfer of technologies offer open up chances of economic growth. Trade is beneficial for any economy to grow. Reason being, producers have access to international markets allowing them to compete more intensively for greater gains. Producers engaged in free trade have the advantage of achieving economies of scale which cannot be possibly achieved from the local market. This in turn leads to productive and economic efficiency.

The current scenario of globalization is based on this ideal perspective that all markets work efficiently, technology and capital is mobile, people have access to all sorts of information via internet and can participate in market on equally. Economic globalization is occurring due to technological advancements and low transportation costs. Does distance still matter? Yet another debate exists over the implications that globalization has over the business activity in Pakistan. Friedman (2007) believes that globalization is accelerating and is flattening the world so that every nation will eventually be part of the global marketplace and production process.

The economy of Pakistan does not seem to benefit from globalization much. Pakistan is a developing country and free trade proves to be more harmful than beneficial. Pakistan has been a member of WTO since 1995 and being a member of WTO Pakistan has to abide by its policies such as putting an end to import duties from 80% to 30%. Tariffs are a protectionist measure taken by the government to protect its domestic industries, infant industries in particular. This hinders the stimulation of business activity. The following table shows a recent trade picture of Pakistan:

## **Trade Development Authority of Pakistan**

(Statistical Section)

(WTO Cell)

Trade Statistics Summary

July–February, 2017-18

### **Exports**

Exports from Pakistan during February, 2018 amounted to US\$ 1.902 billion as against US\$ 1.633 billion during corresponding month of the last year, showing an increase of 16.47%. Exports during July-February, 2017-18 totalled US\$ 14.854 billion as against US\$ 13.303 billion during the last fiscal year which showing an increase of 11.66%.

### **Imports**

Imports into Pakistan during February, 2018 amounted to US\$ 4.797 billion as against US\$ 4.372 billion during the corresponding month of the last year, showing an increase of 9.72%. Imports during July-February, 2017-18 totalled US\$ 39.131 billion as against US\$ 33.392 billion during the last fiscal year is also showing an increase of 17.19%.

### **Balance of Trade**

Balance of trade in FEBRUARY, 2018 was US\$ -2.895 billion as against of US\$ -2.739 billion during the corresponding month of last year, showing an increase of 5.70%, in trade deficit. While balance of trade for the

period July-February 2017-18 was US\$ -24.277 billion as against US\$ -20.089 billion during the year 2016-17, showing an increase of 22.85%, in trade deficit.

The trade balance of Pakistan is usually negative. Reason being, Pakistan mainly operates in primary sector and most of the income generation is done through the agriculture sector. The major exports are also agriculture based so it is mainly an importer of all hi-tech machinery and exporter of little agriculture and textile-based goods and services.

The global economy has changed in terms of the types of companies that are involved in the globalization process. One major example of such a change are the giant multinational companies which owns production facilities in different nations all around the globe, Critics of globalization argue that jobs are being lost to developing nations where age rates are low. Multinational companies prefer operating in a developing country keeping in mind low cost of production, transportation and labour. This way the labour gets exploited during the process. Pakistan is also a victim as when huge companies come and establish they take over the production and exploit labour especially the poor by giving cheap wages and making them work extensively

Supporters however argue that globalization would allow labour to specialize in their respective areas of interest and this would in turn help Pakistan achieve economies of scale along with an increase in human capital formation. These global companies boost employment in the economy. MNCs are operating in various sectors in Pakistan and in different forms. Some companies have set up franchises in Pakistan while others are completely incorporated in the country. Along with infrastructure development they operate contribute to some of the major industries in Pakistan such as pharmaceuticals, banking, telecom, IT and agriculture.

### **Challenges Faced by Pakistan while Achieving Globalization**

Transition is necessary for every country in order to keep up with the pace of all other countries. In this age era of globalization, the economy and society of Pakistan is also undergoing a few changes which is posing threats and offering opportunities at the same time. The process of globalization does not always end up positively. This entirely depends on how it is handled. This has created extra pressure for the state.

This process is economic and technological in nature which further affects both politics and society. In simple words it's all about MNCs (multinational corporations) and FDI (Foreign Direct Investment). Developing nations do not have strong and powerful economies, not well equipped with new technology and are heavily relied upon aid. This is the major drawback which prevents economies from participating actively in the globalization process. The changes involve both society and politics and they vary according to the strength of all the economies.

Technological advancements and other internal and external factors will be a major influence on Pakistan in the near future. Pakistan despite being a developing nation has rich natural resources but the only problem that exists is the fact that resources are not exploited and if done are not utilized efficiently. Financial condition remains to be poor due to heavy reliance on aid. Current ongoing political issues result in security threats making country an non-attractive place for investment.

### **Internal Challenges**

Pakistan runs a trade and balance of payments deficit almost every year. Most of the budget is allocated towards repaying the debt rather than on developmental projects. This dependency is an obstacle for Pakistan in achieving globalization. Strong and powerful economy with latest and advanced technology are the major tools that aid globalization which Pakistan does not possess. Human capital formation is not up to the mark and when the labour force of an economy is not productive all sectors lack behind and in turn create a dependency culture which is another burden on the polity. In Pakistan the liberalization policy has been followed since 1990 but due to political and economic instabilities Pakistan cannot benefit from the gains completely. Law and order situation creates uncertainty amongst investors which makes them reluctant to invest in Pakistan be it the local investors or even the foreign investors.

The ongoing war on terrorism has ruined the reputation of Pakistan. The attacks have increased over time and there is no end to it. Lack of trust and cooperation amongst the army and the government leads to horrible

consequences as the security threat still prevails. Economy is bank corrupt, loans are not paid back on time and lack of foreign Direct Investment has got Pakistan into a vicious cycle of challenges.

Social cohesion is that force which integrates every member of society into a knit. A united society paves way for a nation to be developed as it provides appropriate guidelines to the government. Society forms an image of the state as contribution of society in development is far superior to the state. All the policy implementation is dependent on the state.

Pakistan has a weak government and thus lack of good governance leaves some members of society at disadvantage. While this prevails, the concept of haves and have not's still exists. Some groups are benefited more than others and this inequality results in weakening of ties of the people with the people and people with the government.

Quality education and industrial sector plays an important part advancing any nation towards globalization. Both these sectors are interlinked and because quality education is required for any sorts of advancement in technology. This era is defined as an era of "information" where flow of knowledge from one nation to another is important however if not properly it can prove to be dangerous.

Global economy has its own standards, norms and values that each society has to comply with. Society is now seen as a new global institution where in order for every member to survive, the global moral has to be followed and ensured at the same time. This new agenda is not without some rules and regulations. This poses a serious threat to the government and the economic condition. One of the most important things is to have a good leader. Leadership is a contested term and there cannot be one universal way to define it. However, a good leader must have such qualities so as he/she can make people follow them. In this integrated era there is a high demand of an effective leader who can make sure that Pakistan can effectively participate in the globalization process and can easily overcome all the challenges.

In Pakistan ineffective leadership has resulted in a failure of institutions to work properly. The rules of the game are decided by rich for the poor, powerful for the weak, men for women and ethnic majority for minority. Rich and the powerful make sure that rules are designed for their own privilege and not for the welfare of the society. Leadership crisis is a major problem faced by Pakistan these days and this is evident from the political turmoil.

## **Analysis**

Jan Aart Scholte has drawn a remarkable analysis on global politics in the backdrop of globalization. The piece under discussion is a chapter from a book edited by John Baylis and Steve Smith titled as "The Globalization of World Politics: An Introduction to International Relations". The author argued that the Westphalian state system is somehow faded and faded by the forces of globalization. This argument is more or less on the same footings as Susan Strange averred that "The authority of the governments of all states, large and small, strong and weak, has been weakened as a result of technological and financial change and of the accelerated integration of national economies into one single global market economy".

We agree with the author when it talked about the expansion of supra-state law and institutions. However, international organizations and institutions are recognized by both dominant but opposite traditions in international relations, i.e. Realism and Liberalism. Nevertheless, Realists believe in international institutions and organizations to be security and military oriented. In other words, alliances are the perfect examples of such institutions about which Stephen M. Walt did put enormous stress and used as a linchpin for his theory of 'Balance of Threat'. Similarly, Mearsheimer argued that "the most powerful states in the system create and shape institutions so that they can maintain, if not increase, their own share of world power".

While on the other hand, Liberals view international organizations and institutions to be the primary instruments by which cooperation among states can be increased and ultimately a complex interdependence can be created. However, Mearsheimer made considerable criticism on Liberals while declaring the liberal promises of international institutions as false.

It is conceivable that the forces of globalization have had their effect on international politics and the behaviour of states in particular. However, one being a student of geopolitics is a believer of John Mearsheimer when he argued that "great powers shake and shape the international system". It can be argued that great

powers are actually the forces of globalization which being the dominant elements of the structure exert a structural pressure on states to behave in a certain way.

Interestingly, Mearsheimer argued in 2004 that China's rise will not be peaceful. Nevertheless, it can be acknowledged that the structural pressure put by the forces of globalization have brought China to resort to complex interdependence.

It is observed that the author has argued about globalization but did not mention Barry Buzan and Ole Waever's Regional Security Complex Theory. Since, it is our understanding that perhaps the fall of the Soviet Union was the pivotal impetus for the forces of globalization to go in full swing.

We disagree with the author when it referred to "globalization has rendered the old core principle of sovereign statehood unworkable" – since, Levy and Thompson asserted that the resurgence of Russia and the assertiveness of its President Vladimir Putin in international affairs – make the author's assertion highly doubtful. Similarly, the forces of globalization are still not able to penetrate into the Democratic People's Republic of Korea (North Korea). It is our contention that is shared by Jina Kim that the North continues to pursue its *Juche* ideology while defying and denying globalization.

The reviewer's contentions are shared by Ripsman and Paul who argued that states are pursuing more national and traditional security policies. Ripsman and Paul presented nine propositions regarding globalization and applied it on states with four categories. The concluding remarks made by both authors' cement our belief that the forces of globalization have influenced state's behaviour in a negligible manner – especially major powers. One is still doubtful of the fact that the origin of globalization was in the Liberal tradition; nonetheless, Neo-Liberals acknowledges the presence of anarchy – which actually in turn make globalization a confused idea.

The Realist tradition emphasizes on the state and considers it to be the primary actor in international relations. It forbids from such acts which limit and minimize the authority of the state. For example, John Mearsheimer forbade aspiring states from appeasement and band-wagoning. Since, Mearsheimer believed that these strategies would ultimately hinder the state's sovereign status instead he argued in favour of back-passing and off-shore balancing. Before Mearsheimer, Christopher Layne actually put forward the concept of off-shore balancing. Similarly, Stephen M. Walt – another Realist, argued to 'Balance the Threat' by alliance making – ultimately to secure the existence and survival of the state.

The author has shed light on the relationship of globalization and development since it believed that the *laissez faire* economy enabled a state to resort to market economy where the market itself determined the supply and demand. Consequently, it is understandable that economic development leads to security in many sectors. Now, this increased security ultimately creates increased insecurity for other states causing 'security dilemma' as it was argued by John Herz and advanced by Robert Jervis and Glenn Snyder. We advocate that this security dilemma is the bone of contention for the opposition of globalization and the assertiveness of states.

Also, the global monetary institutions such as International Monetary Fund, World Bank and World Trade Organization – whom Richard Peet referred to as 'Unholy Trinity' – are the instruments of globalization which are actually forcing states to resort to protectionism and increased tariffs on trade.

## Policy Recommendations

Strong economy these days is the major factor contributing in advancing any economy towards globalization. For Pakistan to avoid the challenges faced while achieving globalization government must take measures on urgent basis. Trust must be build up amongst investors for investments to increase by both foreign and local investors. This would require a stable interest rate and high return on capital so that capital inflows increase. Tax relaxation must be provided. Also, for multinationals to operate in your country the law and order situation must be improved. Pakistan is an attractive location and once the security issues are taken care of this country can benefit a lot from multinationals.

The ongoing war and error situation in Pakistan must be overcome by taking strict measures. The terrorists have to be combat to bring about peace in the region. Army and the government has to make sure that a collective action is being taken and for that to happen the internal disputes among themselves needs to be resolved first to proceed with the plan. Government has to win the trust of the people as it is perceived by most



of the Pakistanis that external influences are so strong on the government that loyalty has been vanished completely. As government wins the trust the whole society will be united against the same cause.

States that are successfully participating in globalization process are the ones with strong national economies who if avail the opportunity benefit from it and get global support in policy making. Pakistan however must work on its reputation. The major hindrance is media because media portrays all developing societies in context of terrorism and weak economies however the positive aspects of Pakistan are not projected. Furthermore, in globalizing the world foreign policy plays an important part in putting across its interests as an independent nation. It's a tool used by the state to define its priorities and choice at a global level. The war on terrorism is a product of globalized world. For Pakistan the quest of security has become a major concern since it has deeply affected the foreign policy of Pakistan. There is a need to gain global support in certain issues which are of more importance such as a positive portrayal of Pakistan's image, gaining global support on war and terrorism and solutions to overcome all economic and social problems.

In all fields of life, ranging from security to society to education, technology is required. Lack of technology in this era of Information makes a state weak and dependent. For instance, security maintenance with nuclear weapons, increasing productivity of resources, being self-sufficient in food as well as energy, solution oriented and development on the whole depends on education and technological advancements. Pakistan still needs to work on becoming independent in this context. Without improving the education system and spreading literacy Pakistan will never be able to achieve globalization successfully. Almost all south Asian countries face accountability issues to a certain extent. For instance, in Pakistan there seems to be no authority as such which keeps an eye on the inner workings of the government, Despite having the best constitution the judiciary system is still weak since the policies are only devised and not implemented.

In a historic speech delivered to the first constituent assembly of Pakistan on 11<sup>th</sup> august 1947, the Quaid-e- Azam identified the first duty of his government as the maintenance of law and order. He identified his second priority in the following words:

“One of the biggest curses from which India is suffering, I do not say that other countries are free from it, but, I think our condition is much worse, is bribery and corruption. That really is a problem. We must put it down with an iron hand.”

A country can only develop if its government is held accountable for its actions and the interests and voices of its citizens are taken into consideration when introducing reforms and policies. In present, the trend of politics is such that every state must review its position on a global scale in order to avail the opportunities offered in cooperation with other nations. For instance, common issues prevailing in South Asia includes issues of good governance, terrorism, security, health and other basic problems and in this situation every government can take a collective action to overcome these problems and for this to happen there must be a common ground on which to work. China as a strong economy along with IT industry of India, human capital of Bangladesh and Pakistan's atomic energy power can lead to development in the region.

## **Conclusions**

The fact that globalization has made Pakistan lose its sovereignty proves to be true in some cases. It has led nations to transform their structure and institutions very rapidly. Private institutions are in control of power and regulating the economy of Pakistan which is basically running on the market principles of demand and supply. Consequently, globalization is leading to economic disparities among nations and even within nations as it benefits few more than others. For many societies it has led to greater vulnerability and social dislocation. It is also important to note that it's not only the internal conditions of Pakistan that acts as an obstacle towards successfully achieving globalization, in fact, external pressure should also be a point of concern. The major ongoing issue is war on terrorism. Pakistan never really recovered after cold war and the 9/11 attack and is still striving for the peace and stability of the society and the country.

The contemporary world revolves around information technology and knowledge and this has helped Pakistan establish a civil society at international level. The times demand a proper attention to globalization where government and other private institutions must ensure an effective policy formation. Also, government

will have to broaden its thinking and actions to minimize the risks associated with globalization and avail the opportunities offered by globalization in the best possible way.

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