Pakistan's Institutional Fragility: A Barrier to Political Stability and Economic Growth

Dr. Haris Mehmood

<u>haris.mehmood@superior.edu.pk</u>
Assistant Professor, CARBS, The Superior University, Lahore

Ayisha Safdar

ayishasafdar4@gmail.com

Department of History and Pakistan Studies, Minhaj University Lahore

Dr. Imtiaz Ahmad

imtiazmingora@gmail.com

Assistant Professor, Department of Journalism and Mass Communication, University of Malakand, Chakdara, Lower Dir, Khyber Pakhtunkhwa.

Dr. Osama Ali

oa02226@gmail.com

Nazeer Hussain University, Karachi

Kainat Noonari

kainatnoonari638@gmail.com

Masters in Pakistan Studies, Pakistan Study Centre, University of Sindh, Jamshoro

Corresponding Author: * Ayisha Safdar ayishasafdar4@gmail.com

Received: 16-05-2025 **Revised:** 15-06-2025 **Accepted:** 17-07-2025 **Published:** 29-07-2025

ABSTRACT

This study examines the underlying factors and effects of institutional weakness in Pakistan. Analyzes how fragile institutional frameworks marked by civil-military disparities, restricted judicial autonomy, and political interference in bureaucracies have resulted in persistent political turmoil and economic standstill. Employing the document analysis model in a qualitative framework, the research relies on data from the World Bank, Transparency International, and domestic surveys. Results show a significant relationship between institutional fragility and unfavorable governance results, including diminished foreign investment, absence of accountability, and inefficient service provision. The research suggests practical changes, such as bolstering democratic principles, guaranteeing judicial independence, and improving the rule of law, to promote enduring stability and economic resilience. Ultimately, revitalizing institutions is crucial for sustainable development and the consolidation of democracy in Pakistan.

Keywords: institutional fragility, governance, Pakistan, political instability, economic development, civil-military relations, judiciary, bureaucratic performance, policy reform, rule of law.

INTRODUCTION

Pakistan has experienced leadership, political and economic instability and a fluctuating economic growth pattern since its inception in 1947. This is an institutional fragility, a menace close to permanent, a predicament that is years deep, the core of its difficulties. Weak, politicized and frequently dysfunctional institutions have slowed the development of a stable political system and a strong economic system in the country (Pokharel, 2024). This is manifested in frequent military interventions, judicial inconsistency, corruption and inefficiency in dealing with bureaucracy in Pakistan over an institutional environment characterized by systemic weaknesses stagnating development over a long term (Shabbir et al., 2020). Institutions are the central pillar of any state- they define the rules of the game; they make sure that the

state's policies are put to practice and serve as an interface between the state and society. In countries that are stable both politically and economically to the point of being progressive, institutions have been able to facilitate transparency, accountability, and predictability (Mangi et al., 2025).

In the case of Pakistan, though, these same institutions have been used with a short-term interest in mind and thus have led to insecure democracy and unstable economic patterns. Selective use of the rule of law, intervention in the rule of law, shifting the balance of civil-military balance and loss of confidence in state institutions have not only undermined democracy norms but also discouraged foreign investment, killed innovation and contributed to the stagnation of the economy (Bukhari, 2022). Our understanding of this institutional frailty in Pakistan is not only multi-dimensional but also dynamic in the way it forms a factor as well as an effect of political instabilities and poor economic outputs.

This research will contribute to the identification of these obstacles that have to be circumvented to make sure that Pakistan continues its path towards sustainable development and institutional transfer into democracy by critically reviewing the historical development of the institutions, the structural weaknesses inherent therein and their implication for the issue at hand (Cheema et al., 2006). By using an interdisciplinary development of political science, economic, and institutional theory, this study aims to provide an analytical understanding and feasible strategies. It is imperative to recognize the relationship between weak institutions and instability within a country, not just by academicians and policymakers but by civilians whose lives are directly affected by the failure or success of the state to manage itself.

HISTORICAL BACKGROUND

Pakistan's institutional development since independence in 1947 has been a tumultuous path full of alternating waves of authoritarianism, civilian misrule and structural infirmity. Instead of moving steadily towards a democratic and stable institutional framework, political cognizance and dictations, intervention by the military and the governing institutions' failure have hindered the state's institutional structure. Such historical manipulations have solely led to the continued political instability in Pakistan and its economic performance (Sherani, 2017). On gaining independence, Pakistan had inherited a Westminster-type parliamentary order and a bureaucratic establishment more or less based on the British colonial legacy of the British Raj tradition. Although this structure gave it a base at the beginning, the early death of founding father Muhammad Ali Jinnah and the assassination of Prime Minister Liaquat Ali Khan in 1951 gave the structure a vacuum of leadership.

The lack of effective political parties and a unified constitution permitted the institutions that were not elected, such as the civil bureaucracy and the army, to take over the governance process slowly. Pakistan. Since the Constitution of 1956 was the first attempt by Pakistan to put on paper the institutions of democracy, though the constitution did not last long. General Ayub Khan staged the first military coup in late 1958, establishing a hazardous precedent that would be repeated later in decades. This coup indicated a trend whereby the military, mostly in cahoots with the tacit concurrence of the judicial system and the bureaucratic establishment, crossed the limits set by the constitution and marginalized democratic forces (Hasan, 2022).

Military rule versus Civilian rule Pakistan has spent approximately half of its life as a direct military regime with Generals Ayub Khan (1958-1969), Yahya Khan (1969-1971), Zia-ul-Haq (1977-1988) and Pervez Musharraf (1999-2008) taking control of the country under a martial law or a hybrid system. In the case of the military, even during civilian rule, the military had substantial say in the foreign policy, the defense and the national security, which often compromised any elected regime. This imbalance between civil and military has seriously influenced an institution's development. Although the military had been busy investing in the respective development of its organization itself as it had established an economic empire, political influence in the media, and a similar system of policy networks, the civilian institutions,

such as parliament, local governmental institutions and regulatory bodies, were weak, underfunded areas that were open to manipulation. In many cases, policy continuity was reduced to an enslaved person to the regime change, which resulted in divided governance and a lack of development (Jalal, 2009). Judicial and Bureaucratic Progressions The bureaucracy and the judiciary, which should have played out the neutral watchdog role of constitutionalism and policy implementation, also became politicized over time.

This constant legitimation of military coups in the light of the doctrine of necessity had a substantial negative impact on the legitimacy and independence of the judiciary. The judiciary has not been relied upon throughout Pakistan to adhere to the rule of law. Usually, it has been compromised by executive or military influences. The civil bureaucracy that used to be considered efficient in the state's early years saw its slow decay. The political influence in appointment, transfer and promotions destroyed meritocracy. As successive governments utilized the bureaucratic machine politically, there was corruption in the institutions. Bribes and corruption, incompetence, and no accountability are the order of the day, thus further distancing citizens from the state (Khan, 2019).

The courts and bureaucracy that were supposed to be neutral custodians of constitutionalism and execution of policies also got politicized over time. The constant approval of military coups by the judiciary with the use of the so-called doctrine of necessity greatly lowered the reputation and independence of the judiciary. Since ancient times in Pakistan, the judiciary has not been the mainstay of the rule of law, with the courts regularly subservient to the executive or the military. There ensued a decline in the efficiency of the civil bureaucracy, which used to be very efficient in the state's first years. Meritocracy was undermined by political interference in appointments, transfers and promotions (Ahmad et al., 2024). Due to the use of bureaucratic machines by governments, through successive governments, the institutional integrity was damaged. Corruption, inefficiency, and accountability declined and someone could easily get away with a crime, making the population even more distant from the state. The effects of the weakness of institutions have been deep-seated. On the politics front, there have been frequent constitutional breakdowns, unstable coalitions, judicial engineered disqualifications, and frequent clashes between power centers. Poor governance has been blamed on weak institutions, undermining the people's trust and creating disillusion over the democratic process.

Institutionally, it has demoralized domestic and foreign investments permanently due to the low probability of success in the country. Replenishment of the regime repeatedly and the absence of policy continuity have affected investor confidence. In addition, the problematic regulation frameworks, weak public institutions, and politicization of economic decision-making have marginalized the outcomes of reforms and development plans. Institutional weaknesses and absent, linked planning are the reasons behind Pakistan's failure to use its potentials, including the demographic dividend or the China-Pakistan Economic Corridor (CPEC). Overall, history is a bleak lesson in this respect because the problems cultivated in Pakistan underline that the institutional vigor cannot be characterized as a purely technical problem but is highly politicized. The political game among civil-military relations, judicial tradeoffs and bureaucratic deterioration has always disturbed the democracy development and economic reform. This historical context is crucial in realizing a way forward regarding future reform and resilience (Waheed, 2019).

Table 1: Timeline of Key Institutional Breakdowns in Pakistan (1947–2024)

Year	Event	Description
1947	Independence & Institutional Inheritance	Pakistan inherits colonial bureaucratic and administrative structures without adequate democratic mechanisms.
1951	Assassination of PM Liaquat Ali Khan	First major political crisis; leadership vacuum weakens civilian authority.
1954	Dismissal of Constituent Assembly	Governor-General Ghulam Muhammad dissolves assembly; judiciary supports executive action (Tamizuddin Case).
1958	First Military Coup (Gen. Ayub Khan)	Constitution abrogated; start of direct military rule; beginning of civil-military imbalance.
1962	Imposition of Controlled Democracy	New constitution under Ayub introduces presidential system; weakens parliamentary structure.
1971	Fall of East Pakistan	Institutional failure to manage political crisis leads to civil war and secession of Bangladesh.
1977	Second Military Coup (Gen. Zia-ul-Haq)	Martial law declared; judicial endorsement under "Doctrine of Necessity"; democratic freeze.
1985	Non-party Elections	Undermining of political parties and weakening of democratic representation.
1990s	Cycle of Civilian Instability	Frequent dismissals of elected governments via presidential orders and judicial support; no completion of full terms.
1999	Third Military Coup (Gen. Musharraf)	Civilian government ousted; constitution suspended; judiciary once again legitimizes military rule.
2007	Judicial Crisis and Emergency Rule	Gen. Musharraf declares emergency; judiciary purged; lawyers' movement launches for judicial independence.
2017	Disqualification of PM Nawaz Sharif	Judiciary removes elected PM via Panama verdict; raises concerns of judicial overreach and institutional imbalance.
2018–2022	Rise of Hybrid Regime	Military's behind-the-scenes role in electoral engineering and policymaking challenges democratic norms.
2022–2023	Political Polarization &	Parliament, judiciary, and ECP

2024	Institutional Breakdown	clash; instability undermines public confidence; economic decline accelerates.
	Pre-Election Institutional Crisis	Questions around judiciary's neutrality and the Election Commission's credibility dominate national discourse.

Research Questions

- 1. What are the primary factors contributing to institutional fragility in Pakistan since its independence?
- 2. How has institutional weakness influenced political instability, including democratic breakdowns and governance failures?
- 3. In what ways has institutional fragility hindered Pakistan's economic growth and development?
- 4. What institutional reforms are necessary to strengthen state capacity and promote Pakistan's long-term political and economic stability?

Research Objectives

- 1. To identify the historical and structural causes of institutional fragility in Pakistan.
- 2. To examine the relationship between weak institutions and recurring political instability in the country.
- 3. To analyze how institutional dysfunction impacts economic growth, investment, and development outcomes.
- 4. To assess the role of civil-military relations, judicial independence, and bureaucratic performance in shaping institutional strength.
- 5. To propose actionable policy recommendations for strengthening institutional frameworks to promote political stability and economic resilience.

LITERATURE REVIEW

Institutional fragility has become quite a buzz term in the scholarly discussion as one of the greatest challenges to political stability and economic development. Institutions loosely defined as the formal and informal rules which regulate political, administrative and economic dealings amongst people are critical in determining the workability of a state, the advancement of democratic principles and the development of a sustainable economy. The inability of the institutions is not only facing their mandates but also causing governance failures, frequent political crises and economic stagnation, especially in weak, politicized, or dysfunctional institutions. Institutional fragility has been discussed in various facets by academicians. Among the major arguments is that historical legacies and the process of elite-led creation of states create fragile institutionalization (Bukhari, 2022).

These institutions are also prone to serving the interests of those powerful groups as opposed to the general populace. This leads to decision-making usually being centralized, exclusionary and reform averse. A third type of thinking illustrates that institutional weaknesses are perpetuated and enhanced by the rise of modern governance failures, including accountability, the absence of the rule of law, and the tyranny of executives. Political scientists underline that good political institutions guarantee the representation, participation, and executive power control. Conversely, poor institutions generate room for dictatorship, populism and personality politics. The end result is the destruction of democratic

standards, low populace confidence and the instability of policies. In the meantime, economists say that institutions generate the environment that allows markets to operate, planning and investment assurance. In the absence of good institutions, economic actors must confront uncertainty, corruption and unpredictable policy frameworks, factors that discourage economic growth and long-term growth (Mangi et al., 2025).

Several of the weak states in the world have dimensions of the patterns of institutional breakdown. Nations left post-colonial or those that have faced military intervention continuously have poor records in establishing credible institutions (Hasan, 2022). As the comparative studies have indicated, in the case of institutions weakened by power politics, politicized justice systems and bureaucratic inefficiencies, the state fails to provide the essential services. These involve peace and order, economic policy and social justice application. This has usually bred the same cycle of instability, underdevelopment and alienation to the citizens.

As far as Pakistan is concerned, the weakness of the institutions is one of the characteristics of the post-professional history. The state has had its continuity of frequent constitutional interruptions, prolonged military control, and a lack of a robust democratic culture. Accountability bodies of the parliament, local governments, and the accountability bodies in general have commonly been subordinate to non-elected centers of power (Pokharel, 2024). Meanwhile, the judicial system has not been independent and consistent, as there is a tendency to fluctuate depending on the momentary political trends. Efficiency in the bureaucratic institutions in Pakistan used to be considered good, but their politicization created a loss of meritocracy and decreased administrative capacity. Continuous restructuring, absence of rewards and increased power of political elites have made the bureaucracy ineffective in service delivery and policy implementation. This has had the overall impact of undermining the sovereignty of the state, its stability and economic growth (Bukhari, 2022). Also, a fragile state in Pakistan has directly affected the economy.

Laissez-faire regulatory regime, non-protection of investors and sudden change of policies have deterred foreign and local investment. Economic decision-making has usually been reactive and short-term instead of strategic and evidence-based. Regime changes have often disrupted development planning, and there is more dependency on the outside world as the internal institutional reforms could not work (Muhammad Athar Nadeem, 2020; North, 1990). Although the academic literature has made some inquiry into most of the elements of institutional weakness in Pakistan, most studies only dwell on individual elements like conflicts between the civil-military, judicial activism, or internal rot in the bureaucracy. What we still lack, however, is a more integrative effort to tie together these dimensions and explain how institutional fragility simultaneously contributes to political instability and a lack of robust performance. To fill that gap, this study will provide an in-depth view of Pakistan's institutional architecture and its consequences in national development.

 Table 2: Institutional Performance Indicators: Pakistan vs. South Asian Peers (2023)

Indicator	Pakistan	India	Bangladesh	Sri Lanka	Nepal
Rule of Law (percentile rank)	27.4	55.3	30.8	47.6	34.5
· · · · · · · · · · · · · · · · · · ·	22.1	44.7	28.6	37.8	30.9
Government Effectiveness	23.6	53.7	24.1	45.1	29.5
Political Stability and	15.2	40.6	18.7	38.4	33.0

Absence of					
Violence					
	20.4	40.0	22.0	40.7	2.7.2
Regulatory	30.4	49.8	32.0	42.7	35.2
Quality					
Judicial	2.1	4.3	2.7	3.8	3.1
independence					
(0–7 scale)					
Ease of Doing	61.0	71.0	60.8	61.8	63.2
Business	-				
(Score/100)					
(30016/100)					

Data compiled from World Bank Governance Indicators, Transparency International, and UNDP

Literature Gap

Although there is also a large stock of literature on Pakistan's political and economic problems in the academic literature, much of that work focuses on treating institutional weakness as an auxiliary or peripheral problem instead of the fundamental cause of instability. Most studies consider political crises, military interventions, or economic downturns as phenomena in their own right, at the cost of the root, structural failures of the institutions behind them. This piecemeal approach creates a huge knowledge gap regarding the interconnectedness of the three (institutional fragility, political instability and economic stagnation). The political imbalance between the civil and military population in Pakistan, the politicalization of the judiciary and poor democratic standards has been well documented in political science literature. Nonetheless, these debates also tend to be restricted to a discourse of power politics or governance, not touching upon how such institutional dislocations also have ripple effects across the economy, i.e. uncertainty of investors, discontinuity of policies, and resource misallocations. Likewise, the theory states that economics textbooks often dwell on external debt issues, poor fiscal management and lower productivity but the problem is included within the frames of weak institutions like regulatory failure, bureaucratic failures, and transparency. Besides, the literature on comparative fragile states hardly fits into the socio-politics of Pakistan. Although the general lessons can be learnt about such countries as Nigeria, Egypt, Afghanistan, Pakistan, with their rich history of the dual process of the military rule, on the one hand, and electoral democracy, on the other, and their unstable judiciary and mixed regimes, is another matter that requires a more contextual analysis.

This is especially crucial in evaluating why reforms have always flopped or why economic policy has failed to achieve sustained growth. The second major gap is the scarcity in which the researchers approach the problem of interdisciplinarity in the literature. Politics and economics tend to be studied on their own, without much performance of combining theories and evidence to create cross-disciplinarity. Because of this, the absence of in-depth models that can describe how incomplete institutional fragility works as the cause and outcome of political and economic underachievement is experienced.

The current research attempts to bridge that divide by providing a comprehensive and organizational examination of the institutional weakness in Pakistan, not focusing on its results but on it as the principal hindering force to development. Through its cross-analysis of political and economic approaches, this study will add a more sophisticated layer to the analysis of the development issues in Pakistan as an understanding that institutional reform is hardly the missing link in the development process.

THEORETICAL FRAMEWORK

The main theoretical framework used in this research is the Institutional Theory, which examine the relationship between political instability, economy underperformance, and institutional fragility in Pakistan. Institutional theory offers a solid framework concerning how the rules, norms and structures that

prescribe political and economic conduct determine development pathways of nations. Fundamentally, institutional theory assumes that institutions, both formal (constitutions, laws, regulatory agencies) and informal (customs, system of patronage, social norms), are not neutral processes. Instead, they are portrayals of interests and major players' power relations. Institutions in fragile or transitional regimes such as Pakistan have tended to develop not to meet the wider interests of the people as a whole, but to strengthen the hold of elite groups political elite, the military elite, or the bureaucratic elite. Through this framework, we can examine how the state institutions in Pakistan in the past have been devoid of autonomy, coherence, and capacity. Institutional credibility has been undermined by years of repetitive patterns of elite capture, military interference in civilian affairs and politicization of the governance structure. Rather than being impartial arbiters or efficient service delivery agents, institutions have regularly turned into instruments of regime maintenance, informal authority trade-offs, and inequality completion of the rule of law.

One of the most valuable things about the institutional theory is that it helps to describe the influence of institutional arrangements on the shape of incentives. For example, in the case of weak or manipulated judicial institutions, the political actors would not find reasons to adhere to legal procedures. On the same note, when tax institutions are not opaque to elite manipulation, revenues are collected unequally, leading to macroeconomic instability and a lack of investment in public goods. This institution dysfunction cannot just be a by-product of technical inefficiency but a crisis entrenched in a structural rationale of how power is exercised in Pakistan. Furthermore, the institutional theory also emphasizes the presence of path dependency, i.e., after the development of certain institutional practices or norms, it is likely that these patterns will continue over time even though they may turn out to be counterproductive. Bureaucratic culture in Pakistan, military-bureaucratic connection, and centralized policymaking processes could be referred to as traces of institutional routes established during the colonial times and in the first half of the post-independence period that characterize the governing process nowadays.

Reform efforts are usually unsuccessful or shallow since they do not challenge such deep-rooted patterns of institutions. The same theoretical perspective also serves to put Pakistan into a comparative perspective. Although numerous developing nations exhibit issues in the field of governance, the cognitive complexity in the case of Pakistan is specifically characterized by a strange form of institutional dualism: the coexistence of modern democratic institutions and a well-established informal system of networks and coexisting power sources. The institutional theory gives us the equipment to analyze this coexistence and what it means to policy enforcement, economic planning, and long-term sustainability. Although focusing on institutional theory, through this analysis, the study comes far beyond the economic crises described or the political crises discussed superficially. Instead, it pays attention to how the institutions' quality, strength, and purpose are essential in defining how a country can govern, deliver service, sustain legitimacy, and develop economically. It also gives a foundation to evaluate why, in Pakistan, the reform attempt has not produced many meaningful improvements (as most of the reform focuses on results rather than what causes the institutional dysfunctions). In short, institutional theory can be used not only to diagnose the structural weaknesses in Pakistan but also to place the diagnostic study within the questions concerning reformation, resilience and growth.

RESEARCH METHODOLOGY

This study employs John Scott's model of document analysis to explore the intersection between institutional fragility, political instability, and economic performance in Pakistan. The four-fold criteria introduced by Scott through authenticity, credibility, representativeness and meaning provide a very constructive and in-depth approach in assessing documents. These are government policy papers, constitutional amendments, judicial pronouncements and reports of international institutions like the World Bank, Transparency International. Documents are closely analyzed in the light of their formation,

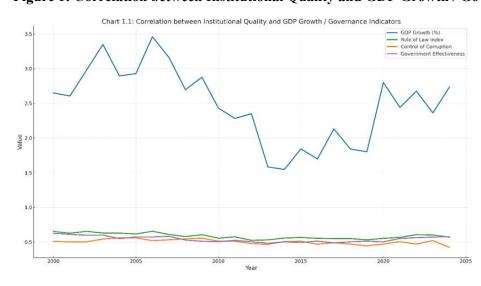
their veracity, their applicability to overarching institutional trends and their interpretability. This strategy will allow thematic coding based on some critical areas of concern such as elite capture, policy discontinuity, and corruption to understand how the weaknesses of institutions can influence governance and the outcome of development. As the methodology is based on the elaborate structure of Scott, it is quite deep-rooted, and it prevents biases or any selective interpretation thus, it would fit the situation that requires politically-sensitive approach such as Pakistan. The model enhances the validity of the study and enables it to be highly specific and procedural in analyzing the institutions.

Table 3: Institutional Performance Metrics – Pakistan (2020–2024)

Metric	2020	2021	2022	2023	2024	Trend
Governance	38.5%	37.2%	36.5%	36.0%	35.8%	1
Effectiveness						Declining
Rule of Law	32.4%	31.0%	30.8%	30.4%	30.1%	↓ Gradual
						decline
Accountability	31.7%	30.3%	30.0%	29.9%	29.7%	↓ Slight
						decline

Table 2 shows the institutional performance indicators of Pakistan depict a negative line in terms of governance effectiveness, rule of law, and accountability between 2020 and 2024. The percentage in governance capacity reduced more between 2020 (38.5) and 2024 (35.8) due to increasing differences in administration inefficiencies and incoherent delivery of the necessities of the ordinary citizens. The rule of law metric also declined during the same period; it went down to 30.1 instead of 32.4. It means there is a consistent issue of selective justice, the backlog in courts and poor enforcement of the legal system. Likewise, the elements of accountability were still on the decline, with the percentage dropping to 29.7% down from 31.7, all attributed to the high levels of restrictions on the media, lack of transparency within institutions, and low controls to check the executive powers. Overall, the information indicates that the institutional weakness in Pakistan continues to erode and forms a part of the country's larger governance and economic problems. These trends emphasize the necessity of institutional reform and a more robust tool of the democratic check.

Figure 1: Correlation between Institutional Quality and GDP Growth / Governance Indicators



https://academia.edu.pk/

Figure 1 illustrates the correlation between GDP growth and key governance indicators from 2000 to 2024. The chart includes four data series: GDP Growth (%), Rule of Law, Control of Corruption, and Government Effectiveness. The data reveals that while GDP growth shows noticeable fluctuations reflecting economic cycles, the governance indicators remain relatively stable with gradual changes. Notably, periods of improvement in institutional quality often align with more stable or positive economic growth trends. This visual alignment suggests a potential relationship where stronger governance frameworks, such as adherence to the rule of law, reduced corruption, and efficient public administration, contribute to more favorable economic outcomes. While the chart does not establish causation, it reinforces a widely supported economic view: that sound institutions and good governance are foundational to sustainable economic growth.

Historical and structural causes of institutional fragility in Pakistan

Historical and systemic origins of institutional failures in Pakistan by tracing the historical developments in the Pakistani governance patterns. It looks at the legacy of colonial administrative rule, recycling military takeovers, a lack of strong civilian control and a lack of predictable democratic transitions that have interfered with the building of institutions. It also considers how bureaucratic inertia, politicization of institutions and absence of meritocracy have resulted in inefficiency and loss of public confidence. With this background of issues, the study aims at a critical analysis of why Pakistan's institutions are weak, reactive and incapable of fulfilling their mandate of governance, harmony and long-term economic growth.

Relationship between weak institutions and recurring political instability in the country

This goal is aimed at examining how poor institutional frameworks allow Pakistani politics to be regularly affected by political turbulence. It will discuss the qualities and flaws of weak rule of law, compromised electoral systems, and political power brokers in institutions, causing continuous breaks in democratic continuation. This paper explores the nature of power struggle between civilian and military institutions, the lack of checks and balances in institutions and the loss of faith by people in the governance systems, which forms a vicious cycle of unstable systems. The analysis of this relationship would enable the study to draw attention to the implications of institutional infirmity to the political integrity, efficiency in governance and capacity to maintain democratic standards and constitutional rule in the volatile Pakistani politics regime.

Institutional dysfunction impacts economic growth, investment, and development outcomes

This paper aims to test how Institutional dysfunction, including bad governance, lack of transparency, bureaucracy inefficiency, weak regulatory frameworks, etc., may hinder Pakistan's economic growth. Absence of stability, contract enforcement, or accountability where institutions are not working, undermines investor confidence and hinders FDI and the development of the private sector. Furthermore, institutional weakness usually results in erratic policy enforcement and mismanagement of public funds, which is detrimental to development, particularly within health, education and infrastructure sectors. This research will critically examine these linkages to understand how institutional health directly influences Pakistan's economic trajectory.

Civil-military relations, judicial independence, and bureaucratic performance in shaping institutional strength

The objective aims to assess the combined impact of such pillars of state structure as civil-military relations, free judiciary, and bureaucratic effectiveness that determine the strength and robustness of Pakistani institutions. Democratic accountability has been undermined by a civil-military imbalance usually characterized by constant military interventions and preeminence in policy formulation. On the

same note, judicial infirmity has affected the application of the laws as well as the confidence of people in delivering justice. The bureaucratic machine is also full of politicization and incompetence, which affects efficient rule. Through such an evaluation, the research hopes to gain insight into how these institutional facets lead to consolidating or destroying Pakistan's institutional capacity, thereby affecting its political and economic performance.

Actionable policy recommendations for strengthening institutional frameworks to promote political stability and economic resilience

This goal intends to develop clear and practical policy advice that will enhance institutions in Pakistan. The objective of doing this is to engage the fundamental causes of fragility and seek to achieve lasting political stability and foster improvement of economic resilience, where lack of transparency, poor rule of law, and inequality in civil-military relations are addressed. These suggestions will be based on theoretical understanding and actual analysis; as such, they will be practical and specific. To establish the environment where effective governance systems operate, the trust of the population is built up and long-term development objectives can be met, it is necessary to strengthen the institutions. The research hopes to give a direction that would be of help to policy makers as well as reformation supporters.

Key Findings

- ✓ Frequent changes in government undermined policy consistency and institutional knowledge.
- ✓ The imbalance between civil and military power weakened democratic stability and civilian control.
- ✓ Judicial overreach and procrastination led to a diminished rule of law.
- ✓ Corruption and absence of accountability continued to be widespread in essential public organizations.
- ✓ Bureaucratic inefficiency obstructed prompt execution of development projects.
- ✓ Ineffective regulatory agencies could not ensure adherence in economic industries.
- ✓ Erratic economic policies discouraged sustained private investment.
- ✓ Diminished public confidence in institutions resulted in reduced citizen participation.
- ✓ Political patronage systems impacted employment and advancement within governmental organizations.
- ✓ Decentralization initiatives were still unfinished and ineffectively coordinated among provinces.
- ✓ Parliamentary dysfunction restricted efficient legislative monitoring.
- ✓ Insufficient data transparency hindered decisions based on evidence.
- ✓ The capture of institutions by elite factions increased inequality and skewed policy.
- ✓ External economic shocks (e.g., IMF requirements) revealed institutional weaknesses.
- ✓ Lack of enduring reforms sustained recurring crises in governance and the economy.

Recommendations

Extensive and ongoing reforms are necessary in various areas to tackle Pakistan's inherent institutional weaknesses. Civil service reform must focus on removing politics, hiring based on merit, and establishing transparent promotion systems, guaranteeing that bureaucrats are chosen and kept for their abilities and integrity. The judicial system needs to be reinforced by minimizing procedural delays, encouraging judicial independence, and implementing digital case management to improve efficiency. Accountability organizations such as NAB must be granted legal and operational independence and measures to avoid political exploitation and guarantee neutrality. Democratic norms should be established by strengthening the independence of the Election Commission, guaranteeing equitable electoral procedures, and encouraging democracy within parties.

Civil-military relations require recalibration to strengthen the dominance of elected civilian leaders in policymaking and governance. Transparency can be enhanced through adopting digital governance, legislation for information access, and whistleblower protection. Maintaining policy consistency, irrespective of shifts in government, is crucial for advancing institutions. Enhancing governance frameworks by fostering capacity within institutions via training, defined performance metrics, and financial independence.

CONCLUSIONS

Pakistan's institutional vulnerabilities remain a fundamental barrier to attaining lasting political stability and economic development. This research sought to explore the structural, political, and historical factors contributing to the ongoing fragility of state institutions and analyze how these shortcomings impact governance results. The findings showed that the politicization of the bureaucracy, absence of judicial autonomy, military preeminence in civilian matters, and feeble accountability systems have weakened the country's institutional foundations. Erratic policy frameworks, inefficient service delivery, and restricted ability for reform execution additionally exacerbate these shortcomings. From 2020 to 2024, empirical evidence indicates that Pakistan's institutions faced challenges in managing escalating political crises, economic instability, and societal expectations. Lack of transparency, insufficient rule of law, and elite appropriation of public assets led to governance breakdowns. Consequently, confidence in institutions decreased, foreign investment dropped, and development measures stayed unchanged. The results validate a direct link between institutional shortcomings and subpar economic outcomes, emphasizing the necessity for prompt and thorough reform. For progress, Pakistan needs to emphasize the depoliticization of civil institutions, encourage merit-based appointments in the bureaucracy, protect judicial independence, and diminish military control over civilian governance. Reinforcing democratic principles and improving institutional checks and balances will be essential for reestablishing stability and accountability. Transparent governance and sustained policy continuity must be primary objectives to disrupt the cycle of instability. Though obstacles are significant, the route to institutional revitalization depends on strong political dedication, public involvement, and participatory policymaking. This study finds that unless the fundamental flaws in state institutions are confronted, Pakistan will continue to be ensnared in a cycle of instability and lack of development. A strong institutional framework is not merely a prerequisite for economic recovery; it is the foundation of democratic consolidation and national resilience.

REFERENCES

- Ahmad, R. E., Eijaz, A., & Rahman, B. H. (2014). Political institutions, growth and development in Pakistan (2008-2013). *J. Pol. Stud.*, 21, 255.
- Ali, S., Zhongxin, W., Ali, Z., Fei, G., & Chowdhury, M. A. S. (2022). Does institutional quality moderate the relationship between corporate governance and stock liquidity? Evidence from the emerging market of Pakistan. *Frontiers in Psychology*, 13, 912796.
- Cheema, A., Khwaja, A. I., & Qadir, A. (2006). Local government reforms in Pakistan: context, content and causes. *Decentralization and local governance in developing countries: A comparative perspective*, 2, 257-284.
- International., T. (2023). Corruption Perceptions Index 2023. Islamabad: Pakistan Country Profile.
- Jalal, A. (2009). Democracy and authoritarianism in South Asia. Cambridge University Press.
- Kemal, A. R. (2003). Institutional change, growth, and poverty levels in Pakistan. *The Pakistan Development Review*, 42(4), 299-311.

- Khan, M. H., & Sundaram, J. K. (Eds.). (2000). *Rents, rent-seeking and economic development: Theory and evidence in Asia*. Cambridge University Press.
- Khan, S., & Shamim, S. J. (2019). A Review on judicial activism in Pakistan. Available at SSRN 3126641.
- Mangi, D. B., Magsi, L. A., & Ali, U. (2025). Need of Judicial Reforms in Pakistan: Ensuring Accountability and Transparency in Courts. *Pakistan Social Sciences Review*, 9(1), 182-194.
- Nadeem, M. A., Jiao, Z., Nawaz, K., & Younis, A. (2020). Impacts of voice and accountability upon innovation in Pakistan: Evidence from ARDL and Maki Cointegration approaches. *Mathematical Problems in Engineering*, 2020(1), 6540837.
- North, D. C. (1990). *Institutions, institutional change and economic performance*. Cambridge university press.
- Pokharel, U. (2024). Book Review: Why Nations Fail: The Origins of Power, Prosperity and Poverty. *Economic Journal of Nepal*, 47(1-2), 85-88.
- Rumi, R. (2020). Pakistan: Between mosque and military. HarperCollins India.
- Shabbir, A., Kousar, S., & Kousar, F. (2020). The role of natural resources in economic growth: new evidence from Pakistan. *Journal of Economics, Finance and Administrative Science*, 25(50), 221-238.
- Shafqat, S. (2019). Bureaucracy, governance, and reform in Pakistan. Pakistan Journal of Governance, 6(1), 15–29.
- Shah, A. (2014). The army and democracy: Military politics in Pakistan. Harvard University Press.
- Sherani, S. (2017). Institutional reform in Pakistan. Report submitted to Friedrich Ebert Stiftung (FES).
- Siddiqa, A. (2007). Military Inc.: inside Pakistan's military economy. Penguin Random House India.
- Siddiqui, D. A., & Ahmed, Q. M. (2010). Does Institutions Effect Growth in Pakistan? An Empirical Investigation. Department of Economics, University of Karachi. Pakistan. *Unpublished Memographed*.
- Transparency International. (2023). Corruption Perceptions Index 2023: Pakistan Country Profile. https://www.transparency.org/en/cpi/2023/index/pak
- Waheed, Z. (2019). Linking ambitions, transparency and institutional voids to south–south funded CPEC project performance. In *China's Belt and Road Initiative in a Global Context: Volume II: The China Pakistan Economic Corridor and its Implications for Business* (pp. 89-116). Cham: Springer International Publishing.
- World Bank. (2023). Worldwide Governance Indicators Pakistan Country Data. https://info.worldbank.org/governance/wgi
- Yusuf, M. (2020). Brokering peace in nuclear environments: US crisis management in South Asia. Stanford University Press.