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GLOBALIZATION AND POVERTY: A CASE STUDY OF PAKISTAN

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ABSTRACT
The aim of the study is to identify the link between globalization and poverty in Pakistan. Since its establishment, Pakistan has faced various problems, including poverty. Globalization affects the global economy as a whole. The research employs a qualitative approach and focuses on factors influencing individuals' economic conditions in Pakistan. The study highlights the performance of MNCs in Pakistan, along with the record of economic growth, which is mixed and highly volatile. The main motivation of the study is to understand the reasons behind Pakistan's problems related to political development. It also examines government policies towards both domestic and foreign investors. This study emphasizes the importance of policy formulation in reducing crimes in Pakistan, considering social and economic factors. If Pakistan wants to lower poverty, it must control population growth and address income inequality.
Keywords: *Crime, Foreign Direct Investment (FDI), Gross Domestic Product (GDP), Multinational Companies (MNCs), Terrorism*

INTRODUCTION
Poverty is a condition in which a person or community lacks the financial resources and essentials for a minimum standard of living. Poverty means the income level from employment is so low that basic human needs cannot be met. Pakistan is a developing country where people's income is less than their basic needs. Currently, the poverty rate in Pakistan is about 29% of the population. The increasing inflation of Pakistan day by day increases poverty. Due to limited income, the daily increase in inflation is causing problems for people. In developing countries such as Pakistan, food inflation is a serious problem as it affects the purchasing power of the population. The inflation in Pakistan is giving rise to serious crimes.

The 2022 floods further impoverished a large portion of the Pakistani population. As a result, more than 20,000 houses and thousands of schools and hospitals were destroyed in Pakistan. The 2025 floods also badly affected many areas of Pakistan. Heavy rains and floods damaged thousands of houses, roads, and crops. Many families lost their homes and sources of income. Because of this disaster, many people became

poorer and faced serious difficulties in meeting their basic needs. Natural disasters like floods increase poverty because they destroy property, agriculture, and employment opportunities for people. In this regard, most of the assistance given by foreign countries falls victim to the corruption of the government. The corruption problem is a serious one in Pakistan. This problem is increasing day by day in Pakistan. The political class is depriving the poor of their basic rights for their personal interests. The corruption has spoiled Pakistan completely and is increasing poverty, unemployment, and hunger. The corruption has penetrated all levels of government, both public and private, and has spread from the top down. The hunger virus kills many children almost every day, and there is only one vaccine for this virus, which we call "food," but the media will not tell you about it, you know why? Because no one rich dies from hunger.

The external debt and population growth not only increase poverty but are also major obstacle to development. Therefore, foreign investment and export promotion have little effect on economic growth. Due to the lack of health insurance in the country, poor people are having difficulties getting access to health care facilities. Even though poor people get free medicines in government hospitals, they are not given the facilities that people get in a private hospital. The poverty of education is an important part of human poverty because the development of a country depends on its strong institutions, political and social stability, and educated and skilled citizens. Due to poverty, many people in Pakistan do not prefer to send their children to school. About 22.8 million children are unable to get an education in Pakistan. In Pakistan, the lower class is facing a lack of income as well as a lack of services. The poor performance of governance also creates poverty.

Literature Review

The process of globalization has hurt the level of poverty in Pakistan. This has made the lives of poor people more marginalized. The process of globalization has not reduced poverty in Pakistan (Majeed & Farooq, 2021).

The Globalization and poverty both have each other deeply relation. Globalization can overcome poverty. But in Pakistan, growing the population, inflation, and external debt are important reasons for poverty. Pakistan needs to adopt a liberalized trade policy. Foreign direct investment (FDI) can play a role in alleviating poverty in Pakistan (Umair & Awan, 2019).

The Globalization affects both developing and developed countries in different ways. Thus, developed countries benefit more than developing states. To alleviate poverty and inequality, Pakistan must curb the negative effects of globalization. The Trade liberalization is also not beneficial form economy in Pakistan (Abbas et al., 2016).

The Pakistani progress in trade liberalization is disappointing. The main reason for this is the decrease in imports. This increases poverty and unemployment and decreases the gross domestic product (GDP). Globalization and liberalization both failed to solve the problem of poverty in Pakistan (Anwar, 2002).

The governance indicators have a negative impact on poverty. They do increase the political terrorism in the country. It does rob people of their basic needs. The country corruption and inflation are affecting to their poor people lives. The poor face a lack of income as well as a lack of services (Hassan et al., 2019).

The effect of globalization on poverty in Pakistan is abnormal, but increasing the population has a dangerous effect on poverty. Thus, Globalization has failed to promote social and cultural interdependence at the international level. Thus, foreign direct investment (FDI) has a weak relationship with population, while the consumer price index (CPI) is deeply correlated with poverty (Yaseen & Mishal, 2017).

Trade liberalization is a very major problem in Pakistan because it increases poverty and inequality. Trade liberalization adversely affects the lives of the poor in developing countries. Since the 1980s, trade liberalization has failed to eradicate poverty in Pakistan (Chaudhry & Imran, 2013).

The Pakistan of illiteracy, poor health, conflicts, terrorism, and unlawful immigration are

important aspects of poverty and a major obstacle to the development of Pakistan. The control poverty focus on the country is imports exports and economic development it's very important. The removal of trade obstacles is essential for development (Khan & sattar, 2010).

The liberalization of trade has not influenced the development or human investment in Pakistan. The rather trade liberalization was the causes of Pakistan in economic development, poverty, employment, and distribute on the income negative impact. Poverty and unemployment have increased in the country. The poverty of education in the country is also an important part of human poverty (Majeed, 2011).

Globalization is increasing Pakistan's poverty. Pakistan has adopted a policy of liberalization to develop the socio-political and economic stability of the country. so that Pakistan can promote trade by alleviating poverty, unemployment, and inequality in the country (Muhammad et al., 2022).

The globalization changes the economic development positively. But in Pakistan, growing the population and raising poverty are obstacles that are not sustainable. With the liberalization of trade, the country develops, but in Pakistan, with the liberalization of trade, the income in the economy increases, and due to the rising trend of income inequality, the lower class is unable to develop (Zaheer & Hussain, 2017).

Pakistan includes the factors of poverty: inability to govern, corruption, poor health, inequality, and a low government budget. Such changes in the agriculture sector and productivity capabilities are affecting Due to low income and the cause of inflation, people are deprived of the means to achieve the basic necessities (Ali & Ali, 2018).

Pakistan cannot control poverty without Globalization. Because countries that have adopted globalization have developed more than countries that have not adopted it, In Pakistan, some causes of poverty are: lack of food, lack of well-functioning institutions, absence of quality governance, lack of health facilities, lack of well-functioning education, lack of income, lack of jobs, barriers to trade, corruption, lack of growth from imports, lack of trade liberalization, etc (Malik, 2006).

Poverty as a Major Problem in Pakistan

Poverty is not just a lack of money; not having the ability to feel the ability to not realize one's potential is also poverty. In Pakistan, many people are reluctant to send their children to school due to a lack of income and food. In Pakistan, due to a lack of money, the poor are unable to get their treatment, which means they are not taking advantage of modern technology and risking a negative impact on their health. The population growth and lack of education are two of the problems faced by many countries. The small businesses in Pakistan and forms are impacting the lives of the poor negatively, because they have to borrow from others for basic needs. Due to limited income in Pakistan, poor people are not able to start their own businesses. Corruption and political institutions are the main causes of poverty in the country (Banerjee & Duflo, 2011). The social business can provide food, shelter, health care, education promotion, and valuable goods to help the poor. Due to the non-fulfillment of the basic needs of the people, corruption, poverty, inequality, and disease are increasing in the country. Frustrated by the incompetence of governments in developing countries, people have started self-help non-profit organizations because promoting development is very important to alleviating poverty. In this country, modern technologies can benefit society in both the private and public sectors. It is very important to have globalization in the country because free markets give the highest profits (Younus, 2007).

Role of the Multi-National Companies (MNCs) in Pakistan

Multinational companies (MNCs) are the companies that have their head office in one country and regional branches all over the world. Their function is to provide access to different products in different countries. simply a company with production and distribution facilities in more than one country. Multinational corporations' (MNCs') involvement in developing nations is primarily charitable in nature. To

reduce poverty and promote sustainable development in the context of emerging countries, active and successful business involvement is crucial. These contributions by multinational corporations (MNCs) can help underprivileged sections of society in developing nations develop, which will contribute to societal uplift through better medical facilities, improved education, and sustainable entrepreneurial and environmental programmes. Some of the prevalent issues in Pakistan include a lack of infrastructure, energy crises, inadequate access to clean drinking water, a low literacy rate, terrorism, corruption, and a precarious economic situation. Globalization and multinational corporations (MNCs) have given businesses new chances to access natural resources and inexpensive labour, get exposed to other cultures, and operate under foreign governments' regulations (Yunis, 2012). Multinational companies (MNCs) operating in Pakistan should be fully aware of Islamic, cultural, and ethical values. So, that they work in the country without taking interest or bribery, in keeping with Islamic teachings. All businessmen who want to start a company in Pakistan or another Muslim country must adhere to basic business ethics. Multinational companies (MNCs) have played a crucial role in the social and economic transformation of Pakistan's exports and economic recovery. Foreign capital investment in Pakistan attracts foreign investors (Haque et al., 2021).

Compared to other financial instruments, foreign direct investment (FDI) is one of the most important and crucial financial flows for the economic development of nations. By making investments in the host countries, multinational corporations (MNCs) not only supply those nations with capital but also advance technology, improve management, and boost their economies. The foreign direct investment (FDI) inflows depend on the trade agreements. Because it offers cutting-edge technology, worker training, and economic progress, policymakers view foreign direct investment (FDI) as desirable. So by investing in those countries, multinational companies (MNCs) receive a higher return on their investments. Large market size is required for the resourceful utilization of a country, which needs cooperation in the fields of textiles, education, science, and tourism. The resources, however, benefit from economies of scale (Sheikh et al., 2016).

Multinational Corporations (MNCs) and the Role of Economy in Pakistan

Pakistan's record of economic growth has been mixed and highly volatile. The main reason for this is the bad political situation, which is a huge hindrance to development because no political system is allowed to flourish in Pakistan. It is necessary to stabilize the political setup of Pakistan for the development of the country (Qureshi et al., 2010).

The government in Pakistan criticizes the economic system of its previous governments and praises its own policies and economic system, but during his tenure too, internal and external debt increased and economic growth slowed down. The earthquake, flood, and other natural disasters in the country further shocked the already weak economy. The fiscal policy is directly to blame for the low domestic savings rate, high inflation rate, sharp increase in external debt, and problems with the balance of payments. Pakistan needs to change its approach and make a bold attempt to correct its economic development (Yuqub, 2011).

Table 1: The Table below shows the agriculture growth of Pakistan

Era	Agriculture Growth	Manufacturing Growth	Economic Growth
1947-50	53.2%	NA	NA
1950-1958	1.9%	7.7%	3.1%
1958-1969	NA	8.5%	6.7%
1969-1977	2.7%	5.5%	NA
1977-1988	5.4%	8.8%	6.3%
1988-1999	4.4%	4.8%	4.05%
1999-2008	5.4%	8.8%	6.3%
2008-2013	2%	4.4%	4%
2013-2018	NA	NA	5%
2018-2020	NA	NA	0.99%
2021-2022	4.40 %	10.4 %	5.97 %
2023-2024	6.25 %	1.21 %	2.38 %
2025	0.56 %	4.77 %	2.68 %

Source: Drown by the researcher

Pakistan's economic growth is usually regarded as being aided by foreign investment. For multinational corporations (MNCs), Pakistan offers a variety of options with lucrative returns and complete protection for foreign investment. MNCs are currently active in Pakistan's energy, electronics, banking, insurance, telecom, IT, and auto industries. The MNCs have not only significantly influenced Pakistan's economy but have also demonstrated their capacity to have an impact on politics, the economy, and cultural norms. The GDP growth is challenging to achieve without the involvement of multinational corporations in economic activity (Asghar, 2018). The MNCs are profitable in Pakistan, and Pakistan benefits greatly from the managerial abilities, financial resources, and global reputation of foreign companies. The high corporate governance standards, best practises, and global environmental and social standards are being adopted by the businesses that implemented them. The current account deficit, which has recently rattled Pakistan's economy, is better controlled the more Foreign Direct Investment (FDI) multinational corporations (MNCs) make. In Pakistan, the GDP only had a net (FDI) of 1.8 billion dollars. The quickest resolution of problems faced by MNCs is closely related to Pakistan's ability to draw in new foreign investment (Ahmed, 2018).

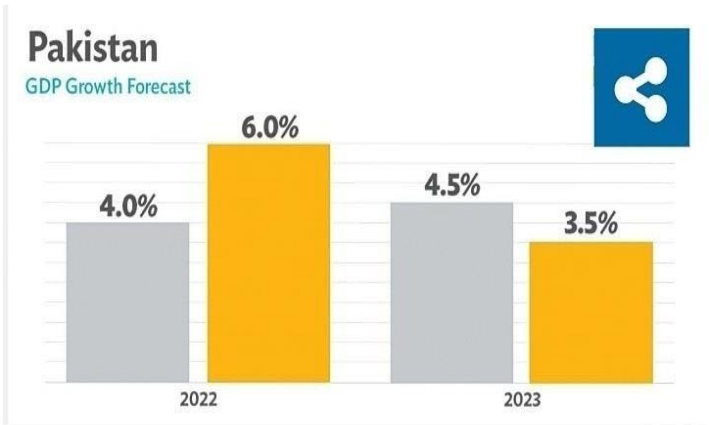


Figure 1: This graph show the economy of Pakistan

Asian Development Outlook Update 2022

Pakistan is currently experiencing an economic crisis in 2023 as a result of high energy import costs, enormous debts, diminishing foreign exchange reserves, global inflation, political unrest, and a persistent slowdown in GDP growth. Along with a simmering political crisis, Pakistan's economy has collapsed, with the currency falling and inflation reaching record highs. A global energy crisis and devastating floods have increased the strain. Pakistan's economic turmoil has made it extremely difficult for the nation to finance imports.

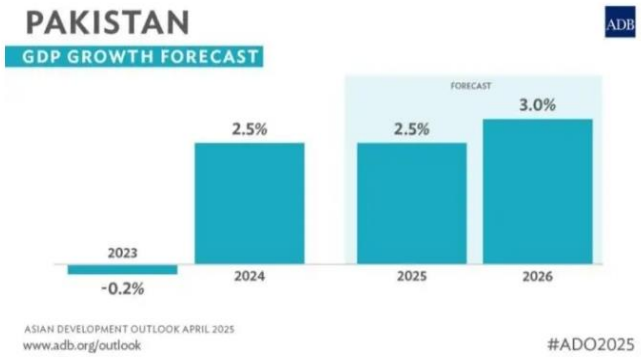


Figure 2: This graph show the current economy of Pakistan
https://thediplomaticinsight.com/pak-gdp-will-grow-by-3-in-adb-predicts/

The Asian Development Bank (ADB) projects that Pakistan's GDP growth rate will reach 3% in the fiscal year 2026 and that inflation would decline. In FY2025, the country's economy is expected to grow by 2.5 percent. The Asian Development Outlook (ADO) April 2025 issue featured these forecasts. Pakistan's economic development would stay stable thanks to the macroeconomic policies and economic reforms implemented by the current government with assistance from the IMF Extended Fund Facility arrangement. Adherence to the economic adjustment program is essential for resilience and for promoting inclusive, sustainable growth. Pakistan is still dealing with major structural issues.

Pakistan's economic situation would continue to be difficult, with major threats including huge debt commitments, inflation, and political instability. The rupee is depreciating, inflation is high, government debt is growing, and foreign exchange reserves are in short supply. Loan repayment requires the usage of a large portion of government revenue. China is Pakistan's largest creditor. Even by regional norms, the nation's tax ratio is extremely low. This indicates that the government does not have the resources to adequately fund essential social programs. Pakistan's economy will need to expand by at least 7% annually in order to provide the youth with sufficient employment possibilities and engagement chances (Khalid, 2025).

Multi- National companies (MNC) and Terrorism in Pakistan

The use of violence against random civilian or military targets in order to intimidate or create pervasive fear for the purpose of achieving political goals is called terrorism. The globe experienced a new kind of conflict after September 11, 2001, known as terrorism, and Pakistan is not an exception to being protected from terrorist incidents. Pakistan is the nation in the world that is most impacted by terrorism due to its hostile neighbours, geopolitical significance, diverse ethnicity and culture, poor political, economic, religious, and social institutions, etc. Since gaining its independence, Pakistan has faced several challenges, including terrorism, war, political unrest, and corruption. Rising income inequality in Pakistan is a significant contributing factor to the uptick in terrorist activity. About all

of the terrorists who have been recruited are from the lower socio-economic classes (Khan, 2013). Multinational firms encounter a wide range of negative effects as a result of the danger of terrorism, from enhancing the physical security of company assets to handling human concerns in high-risk workplaces. Multinational corporations will likely continue to struggle with fanatical terrorist organization determined to advance their political agendas via violence as long as they are allowed to operate across international borders. The people, the facilities, and the activities of multinational corporations will continue to be the preferred targets of terrorist attack even after the United States and its allies have militarily joined the Global War on Terror. International businesses are forced to redirect limited resources and management expertise from core business operations in order to concentrate on reducing the danger of a terrorist attack as a result of global terrorism (Mazzarella, 2005).

Table 2: The terrorist attacks in Pakistan can be estimated from the table below.

Year	Attack	Killed	Injured
2010	3,393	10,003	10,283
2011	2,985	7,107	6,736
2012	2,217	5,047	5,688
2013	911	4160	3,794
2014	1,823	1,761	3,836
2015	1,009	1,081	1,325
2016	736	956	636
2017	574	851	1827
2018	262	595	1030
2019	229	357	729
2020	165	294	598
2021-22	250	433	719
2023	517	748	1,992
2024	1,099	1,081	1,200
2025	699	1,034	1,366

Source: Drown by researcher

After Iraq, Pakistan is the nation in the world that is most impacted by terrorism. Terrorism has cost the economy $78 billion in losses over the past ten years. A suicide explosion that occurred recently in Peshawar, Pakistan, purportedly targeted policemen who were worshipping in a mosque and resulted in at least 59 deaths and 157 injuries (Khan, 2023). Poverty and unemployment are increasing in Pakistan due to increased attacks by terrorists. Due to this, multinational companies are afraid to open their franchises in Pakistan. Due to Pakistan's bad image at the international level, any international company is afraid to open a franchise in Pakistan.

Opportunities of Employment in Pakistan

According to the World Bank, Pakistan's youth unemployment rate has increased more than the country's general unemployment rate during the past ten years. According to the Labour Force Survey 2014–15, 4 million persons between the ages of 15 and 24 are unemployed. In addition, the World Bank projects that between now and 2040, at least 1.7 million people will enter the labour force, assuming a population growth rate of 2.07%. As the census shows a greater growth rate of 2.4%, this number is expected to increase. To accommodate the young workforce, a sustained GDP growth rate of over 7% is needed. Pakistan requires increased economic growth that increases employment possibilities in addition to

faster economic growth.

The results of job creation in Pakistan have been underwhelming on the labour market. At least 25% of young people work in precarious, low-paying jobs without benefits, and 35% work unpaid family jobs. Despite a growing labour population, the ongoing shortage of competent workers is driving more people into unemployment or unpaid work. In South Asia, Pakistan has one of the lowest levels of education spending, at just 2% of GDP. Around 22.6 million of its working-age people are anticipated to be out of school, placing it among the top 10 countries in the world for this statistic. Pakistan will need to expand enrollment if it wants to have 100% primary enrollment by 2030 (Shaikh, 2018).

Table 3: Labour force and employment indicator

	2017-18	2018-19	2020-21	2022-23	2023-24	2024-25
Labour force	65.5	68.75	71.76	71.76	N.A	77.20
Employed labour force	61.71	64.03	67.25	67.25	N.A	69.20
Unemployed	3.79	4.71	4.51	4.51	N.A	8.00
Unemployment rate (%)	5.8	6.9	6.3	6.3	N.A	7.1

Source: Drown by researcher

According to findings of the Labour Force Survey (LFS) published by the Pakistan Bureau of Statistics, the economy of Pakistan created 5.5 million jobs over the past three years, or on average 1.84 million jobs a year, which is significantly higher than the average annual rate of new job creation during the 2008–18 decade (PBS). By June 2021, there were 67.3 million individuals in employment, up from 61.7 million at the end of the PML-N administration (Ahmed, 2023).

However, at the conclusion of the third year of the PTI's leadership, the official unemployment rate, which was 5.8% in June 2018, had increased to 6.3%. The province of Sindh, which is governed by the Pakistan People's Party, had the lowest unemployment rate at 3.9%, but Khyber Pakhtunkhwa had the highest rate at 8.8%, followed by Punjab at 6.8%.

A lot more jobs were produced annually between 2018 and 23 than there were during the PPP and Pakistan Muslim League Nawaz governments, at 1.84 million on average. Around 6.9 million jobs, or an average of 1.4 million per year, were created over the PPP's five-year period (2008–2013). In contrast to this, an average of 1.14 million jobs per year were added during the PML-2013–18 administration. Compared to the PTI administration, the average economic growth rate during the five years of PML-N control was much greater. In the fiscal year 2019–20, when the world was afflicted by the worldwide pandemic, the country likewise experienced a 1% decline in GDP for the first time in the previous 70 years. The economy may produce a total of 9 million jobs by 2023 if it continues to grow at its current rate, according to estimates from Prime Minister Imran Khan, who had pledged to create 10 million jobs during his term in office.

Agriculture no longer makes up 38.5% of all employment, as it did three years earlier, but now makes up 37.4%. Nonetheless, the industrial sector's percentage rose from 23.7% to 25.4%. Moreover, the employment proportion of the services sector fell from almost 38% to 37.2%. Throughout the last three years, the industrial sector has added roughly 2.5 million jobs, as opposed to 2.1 million during the PML's five-year rule. The agricultural sector added 1.4 million jobs, and the services sector added 1.7 million. In the service sector, almost 4.3 million jobs were added during the PML-N administration (Rana,

2022).

Terrorism waves in Pakistan and the confidence of the investor

To further their goals, terrorists utilize violence to incite fear. In order to achieve a high development rate, Pakistan is likewise significantly dependent on FDI inflows, but the biggest challenge it faces is the rise in terrorist activity. Although policymakers are always trying to foster a climate that is welcoming to foreign investment, the threat of terrorism prevents this from happening.

The Foreign investors are discouraged from investing because they worry that their investments and profits could suffer losses. The increase in employment opportunities brought about by FDI inflows is due to the fact that when a foreign company invests in a host nation, it sets up its own systems that provide jobs for many locals. Modern technology is provided by FDI, increasing productivity and human capital while boosting exports, which improves balance of payments imbalances. Terrorism has various roots, including poverty, unemployment, economic and social inequality, racial and religious tensions, and global conflicts (Serfraz, 2017).

When terrorism strikes, the stock market becomes erratic, investors lose faith, and returns drop. Stock prices are ultimately impacted by investor sentiment, which is impacted by the significant terrorist strikes in Pakistan.

Table 4: The terrorist's attacks have been clarified through the table.

Date	Events Name
27 December, 2007	Benazir Bhutto assassination
21 August 2008	The terrorist attack on Pakistan ordinary of factory
22 September 2013	The Terrorist attack church
16 December 2014	Carnage at army public school

Source: https://pdfs.semanticscholar.org/b499/7b1fe56690e926469de10ac419cc9a7a2320.pdf

On December 27, 2007, the daily trade volume before the incident was 327 million shares, but on the first trading day following the occurrence, it fell to a level of 71. The total business was 120 million on August 21, 2008, the day before the tragedy at the ordinance factory, making it the biggest 30-day total ever. The volume decreased by 113 million the day following the event. The 181 million shares were traded during the stock exchange's 30-day trading period before the event at All Saints Church on September 22, 2013. The volume, which was one-third of 181 million shares, fell to 65 million the very next day.

Before the attack, which lasted nine days, the overall volume of business on December 16, 2014, was 270 million shares, the largest monthly surge ever. Later days saw a reduction in trade volume to 144 million shares, or 46% of the 270 million shares before two days ago. On the day of the catastrophe, 180 million dollars in business were recorded. As a result, the stock market was in a state of recession, and 71 million instances of anomalous trading were noted following the terrorist activities. In Pakistan, terrorism claimed the lives of 16,121 people from September 2001 to December 2016 (Ali et al., 2020). We therefore draw the conclusion that significant terrorist actions harm investor sentiment and market confidence in Pakistan.

Power Or Electricity Shortage and the Problems of the Investor

The development of physical capital, the creation of employment opportunities, the expansion of the economic horizon, the enhancement of managerial and labour skills through the transfer of technology, and integration with the rest of the world are all considered to be essential outcomes of foreign direct investment. For international investors, Pakistan's present energy crisis has been a warning flag. Energy demand, particularly for electricity, is rising while supply is

declining. These factors have an effect on the labour market and manufacturing companies, leading to the loss of thousands of jobs (Zulfikar et al., 2014).

Since 2005, Pakistan has been dealing with a significant electricity shortage as a result of peak demand from both home and industrial consumption. The Pakistani textile industry's export level may suffer due to the country's electrical issues and inadequate electricity supply. In Pakistan, there has been a severe electricity shortage that will have a negative influence on the country's overall economic growth if it is not rectified (Junejo & Khoso, 2018).

The population of Pakistan has been growing for many years, and prices are rising significantly as a result. Worldwide nations, including China, the United States, Japan, Norway, the United Kingdom, Hong Kong, Saudi Arabia, and Switzerland, provide FDI to Pakistan. The power and energy sector, financial services, trade, construction, transportation, textiles, and trade are among the industries targeted for FDI. As part of the China-Pakistan Economic Corridor (CPEC) initiative, Pakistan also intends to establish a number of energy projects and purchase electricity from Kyrgyzstan and Tajikistan. Pakistan has coal and hydropower resources that, if utilized, could be useful in meeting the nation's future energy needs. In the long run, Pakistan's energy usage would suffer if it was unable to repay its debts (Latief & Lefen, 2019).

Table 5: This table shows the electricity crisis in Pakistan

Year	Expected Available Generation	Demand (summer peak)	Deficit/ surplus
2010	18503	19352	- 849
2011	20814	20874	- 06
2012	21167	22460	- 1293
2013	23368	24126	-758
2014	23538	25919	- 2381
2015	24408	28029	-3621
2016	25630	30223	-4593
2017	27481	35504	-8023
2018	27481	34918	-7437
2019	27481	37907	-10426
2020	27481	41132	-13651
2021-2022	41557	31000	-3184
2023	44,000	48,000	4,000
2024	46,200	30,150	16,050
2025	46,605	32,000	14,605

Source: Drown by the researcher

The people's lives in Pakistan have changed as a result of the electricity crisis. Suicide attacks, frequent policy changes, a decline in foreign investment and exports, a rise in poverty, and slow economic growth The electricity crisis is a crucial problem for investors. The electricity crisis started in Pakistan in 2006; it has continued day by day to increase. Due to the power crisis, foreign direct investment (FDI) is also badly affected in Pakistan, as investors prefer to invest in other countries instead of Pakistan (Baafra Abeberese, 2020).

Government Policies and the Investors

The little and concentrated foreign investment is coming into Pakistan. Pakistan has had little

success in luring foreign investment despite liberalising its formerly restrictive investment environment, significantly removing barriers for foreign companies, and offering a variety of incentives. High corporate costs, political unpredictability, corruption, government bureaucracy, inconsistent government policies, and a lacklustre state of law and order are the main hindrances. To strengthen its balance of payments position, Pakistan must exert more efforts to entice as much domestic and foreign investment as possible in the foreign exchange industries. The Pakistani government has to take action to increase both domestic and foreign investment in the nation (Zakaria, 2008). The host governments will give greater investment incentives and will remove limitations on foreign companies' activities in the developing countries as a result of their efforts to attract FDI. Reduced barriers draw FDI from industrialised nations, but fiscal incentives and lower tariffs draw FDI from underdeveloped nations. By enacting advantageous policies, the government can entice more investors to make investments in the nation (Banga, 2003).

The selective policies aimed at FDI inflows have taken the place of controls and limitations on foreign companies' ability to enter and operate in Pakistan. The policies attempt to increase foreign investment in the nation while also enhancing the economy's foundations. The government further liberalised the policy in the 1990s and allowed foreign direct investment (FDI) in the insurance, telecommunications, energy, and agricultural sectors. Nonetheless, the volume of FDI remained low when compared to other developing countries because of the quick political transitions and inconsistent policies (Aqeel & Nishat, 2004).

An important factor in accelerating a nation's development and economic growth is foreign direct investment (FDI). The government of Pakistan is typically unable to repay the vast majority of its external debt. The amount of Pakistan's foreign debt is rising over time. The also demonstrated a bad correlation between FDI in Pakistan and external debt. Due to Pakistan's low import and export volumes compared to other countries, the country's trade balance is negative. Due to terrorist attacks and a lack of law and order, foreign direct investment has decreased in Pakistan (Awan et al., 2014). In Pakistan, the government policy can influence interest rates, which increases the cost of borrowing. In Pakistan, every fourth day the government is overthrown, due to which the government's policies also change. The country is in an emergency, and investors won't come to Pakistan to invest. Due to a lack of foreign investment in the country, poverty, unemployment, and a bad law and order situation are being created. Due to all this, investors do not prefer to invest in Pakistan.

Increased Crime Rate due to Unemployment

The crimes have plagued every society in human history for all time. The rate of crime in Pakistan likewise rises as unemployment does. Unreliable inflation rates are a problem for developing nations like Pakistan. There is a connection between rising crime rates and worsening labour market conditions. Crime has an effect on global national economic, social, and cultural development. The majority of young people in Pakistan are becoming involved in crimes as a result of unemployment. Because one individual cannot meet all of their basic needs, they commit crimes in various ways. Numerous prestigious colleges in Pakistan produce thousands of young graduates each year, but they do not help them find respectable employment after receiving their degrees (Rafique, 2021).

The crime refers to any unlawful behaviour that is subject to legal sanctions. The state has a duty to prevent crime since it is an act of human activity that causes harm to others. Target killings and violent crimes in Pakistan are also caused by a number of political and societal reasons, including money laundering, lawlessness, and corruption, which have had a negative impact on the country's economic progress. In Pakistan, crime is on the rise due to corruption, poverty, unemployment, and other social inequalities. Criminal activity is caused by a number of political, social, and economic causes in emerging nations like Pakistan (Asghar et al., 2016).

Most young people in Pakistan are turning to criminal activities like terrorism, drug use, trafficking, murder, and arms smuggling owing to a lack of economic opportunities. Without a doubt, Pakistan's street crimes have worsened due to poverty and inflation.

Table 6: This table shows the latest poverty, inflation, inequality, terrorism, unemployment and crime rank in Pakistan

Pakistan	Latest rank	Pakistan	Latest rank
Inequality rank	148	**Unemployment rank**	7.1
Poverty rank	164	**Terrorism rank**	2nd most affected by terrorism in the world
Inflation rank	7.0	**Crimes rank**	42.4

Source: Drown by researcher

The unemployment rate may be a significant factor in crime. As a negative externality, crime imposes a significant financial and social burden on the nation's government and citizens. Individuals are forced to engage in illegal activities by economic hardship and unequal distribution of resources. Due to factors such as high unemployment, rising food and raw material prices, a growing wealth gap, the migration of people from rural to urban regions, and a lack of education, crimes have increased in number and severity. High levels of stress and mental illness can be brought on by poverty, which can then lead to people engaging in criminal activities (Khan et al., 2015).

Table 7: Pakistan Crime Rate & Statistics

Year	Per 100k population	Annual % change
2013	7.29	-1.44%
2014	6.80	-6.71%
2015	4.76	-30.03%
2016	4.18	-12.08%
2017	3.96	-5.29%
2018	3.88	-1.96%
2019	3.76	-3.05%
2020	3.84	2.09%
2021	3.98	6.47%
2022	4.08	7.65%
2023	4.33	6.13%

Source: Drown by researcher

The crime is a becoming problem for a Pakistan in day by day. Despite spending a lot of money on education, young people do not have access to jobs. People view crime as preferable to a regular career since their requirements are not met. The number of crimes that occur in a nation increases dramatically when its political climate is unstable. Therefore, the youth generation frequently engages in criminal activity. The defective justice system plays a significant role in crime. When people feel as though they are not being treated fairly.

Findings and Analysis

The involvement of multinational corporations (MNCs) in Pakistan is mainly of a charitable nature. Successful and active business participation is essential to reducing poverty and advancing sustainable development in the context of emerging nations. These donations from multinational companies (MNCs) can aid the development of Pakistan's under privileged communities, which will lead to societal uplift through improved healthcare, better public schools, and sustainable entrepreneurial and environmental programmes. Multinational corporations (MNCs) have been instrumental in Pakistan's export growth and fiscal recovery on a social and economic level. Foreign investors are drawn to Pakistan by the inflow of money. Pakistan's track record of economic development has been inconsistent and extremely unstable. The primary cause of this is Pakistan's unfavourable political climate, which severely inhibits development because no political system is permitted to take root there. The nation's already fragile economy was further shaken by the earthquake, flood, and other natural catastrophes. Due to its hostile neighbours, geopolitical importance, varied ethnicity and culture, weak political, economic, religious, and social institutions, etc., Pakistan is the country in the world that is most affected by terrorism. Pakistan has experienced a number of difficulties since gaining its freedom, such as terrorism, war, political unrest, and corruption. The increase in terrorist activity is significantly influenced by Pakistan's widening economic inequality.

The World Bank reports that over the past ten years, Pakistan's youth unemployment rate has grown more than the nation's overall unemployment rate. The labour market's response to Pakistan's efforts to create jobs has been lacklustre. The electrical problem has altered people's daily lives in Pakistan. suicide attacks, regular policy adjustments, a drop in exports and foreign investment, a rise in poverty, and sluggish economic development. The power problem in Pakistan is also having a negative impact on foreign direct investment (FDI). Usually, Pakistan's government is unable to pay back the overwhelming majority of its foreign debt. Pakistan's international debt is getting bigger over time. The report also showed a poor link between foreign direct investment in Pakistan and external debt. Pakistan's trade balance is negative as a result of the nation's low import and export amounts when compared to those of other nations. Due to unemployment, the bulk of young people in Pakistan are getting into criminal activity.

Conclusion

Poverty, unemployment, inflation, literacy, and poor health in the country with the help of globalization. The case study of foreign direct investment (FDI) and multinational companies MNCs promote the best facilities, education, gross domestic product (GDP), and sustainable business. With the help of foreign direct investment (FDI) and multinational companies (MNCs), modern technology will come to the country. But because of the political crisis, the gross domestic product (GDP) in the country is slowing down. Investors do not prefer to invest in Pakistan due to the changing government day by day and the increasing power crisis in the country, which is increasing unemployment in the country. Due to unemployment, youths prefer illegal activities that are increasing terrorism like drug addiction, murder, and arms smuggling in the country.

Recommendations

- In order to reduce the crime rate, the Pakistani government needs to create job opportunities in urban and rural areas. The government of Pakistan should alleviate poverty through different projects. Reducing crime and violence is important for achieving sustainable development.
- The government should give a 20 percent discount on rental housing for one year to those who migrate from rural areas to urban areas for employment.
- The government should promote multinational companies (MNCs) and foreign direct investment (FDI) in the country; thus,

modern technology will come to the country, political relations will be built, and the quality of life for people will improve.

- The power crisis and frequent changes in policies are a major issue for investors. Therefore, Pakistan needs to stabilize its political system. Pakistan can overcome its electricity crisis with wind power, hydroelectric power, and coal.
- The government of Pakistan should offer employment opportunities and educational, skill-building, and career-training programs to encourage young people to actively participate in the nation's economic development.
- Improve living conditions, stabilise the economy, and lower production costs by developing modern infrastructure and renewable energy sources, particularly for low-income and rural people.
- Foreign direct investment (FDI) should be encouraged by policies that guarantee job creation, knowledge transfer, and better infrastructure for local people.
- The government should fund professional programs, vocational training, and education to give young people the tools they need to contribute to the economy and fight poverty.
- To safeguard vulnerable groups impacted by globalisation and economic shocks, social protection services including cash transfers, food aid, and healthcare access should be expanded.

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